

# The NATIONAL UNDERWRITER

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## MARKETING MAN ON INSURANCE:

### No Need To Draw Line Between The Marketing Of Tangible Products, Intangible Services

Marketing men see no reason to draw a sharp line, or any line at all, between the marketing of tangible products and the marketing of intangible services, Warren N. Cordell, vice-president of A. C. Nielsen, stated before the annual meeting of American Assn. of University Teachers of Insurance meeting in St. Louis.

In his address, entitled "Application of the Theory of Marketing Tangible Goods to the Marketing of Insurance," Mr. Cordell said that while marketing research practitioners are vitally concerned with the unique characteristics of the product being sold, they are just as interested in recognizing differences between tangible products as they are in recognizing whether the product is tangible or intangible.

Mr. Cordell remarked, however, that in drawing upon the marketing experience in the field of tangible consumer products in order to improve the marketing of insurance, important differences between insurance and other products or services cannot be

ignored.

Historical patterns, restrictions, and conditions present in the insurance business must be dealt with, he said. Insurance marketing operations must cope with governmental regulation, historical conservatism, complexity of transaction, and inclination for internal analysis instead of consumer research.

Insurance is thus distinctly different in many ways, Mr. Cordell stated. In fact, tangibility is only one of many product differences that need to be kept in mind in appraising marketing operations.

The speaker compared the characteristics of insurance with non-durable goods as follows (the first characteristic given in each example refers to insurance): Nature of product (intangible, tangible); frequency of pur-

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### Mutual Bureau Outlines Effect Of Manual Charges

Mutual Insurance Rating Bureau has bulletined members and subscribers regarding National Bureau's revision of its manual distribution program. The bulletin notes that the purpose of the program is to spread the cost of developing the manuals on a more equitable basis among all companies which use the manuals.

As to manuals published by National Bureau for jurisdictions where Mutual Bureau does not operate, Mutual Bureau companies will make their own arrangements with National Bureau and pay the revised assessment charges. The jurisdictions are Alaska, California, Hawaii, Idaho, Missouri, Montana, and Puerto Rico.

For other states Mutual Bureau publishes an automobile liability manual and manuals of liability insurance. Consequently, its companies do not need National Bureau manuals in those states. However, some of the mutuals are interested in National Bureau manuals for reference and research purposes. In these cases Mutual Bureau companies (and other non-National Bureau insurers) may secure service of "library copies" of National Bureau manuals for \$100 a year. The "usual charges" for manual printing and distribution will apply in addition to the \$100.

Mutual Bureau does not exercise  
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### Gerber Reappointed Illinois Director

Democratic Gov.-elect Kerner of Illinois announced last week that Joseph S. Gerber will be retained as insurance director. Mr. Gerber is the only member of Republican Gov. Stratton's cabinet who will serve under Gov. Kerner, who commented about Mr. Gerber: "From all I hear, he has been doing a good job. I'm simply trying to find the best men regardless of party."

Chicago papers already are suggesting the appointment may not run past the legislative session, although nothing official has been said to indicate the appointment is anything but for a full four-year term. Mr. Gerber has served four years under Gov. Stratton.

### AAUTI Elects Gregg President At Its St. Louis Meeting

Proposed Name Change Being Put To Mail Vote; Bickley Moves To 1st V-P

ST. LOUIS—Following its custom of a Christmas holiday annual, American Assn. of University Teachers of Insurance met here last week and elevated Davis W. Gregg, president American College, to the presidency, succeeding J. Edward Hedges, Indiana University.

One of the more important events of the two-day meeting was the proposal of a change of association name. The suggested name, American Assn. of Risk and Insurance, will be voted upon by mail ballots. No change in the constitution, by-laws or voting rights of members is involved in the proposed change.

Herrick Is 2nd V-P

Second Vice-president John S. Bickley, University of Texas, moved up to 1st vice-president and Kenneth Herrick, Texas Christian University, was named 2nd vice-president. Appointed to the executive committee were E. J. Faulkner, president Woodman Accident & Life, and Mark R. Green, University of Oregon. Joseph F. Trosper, Southern Methodist University, continues as secretary-treasurer.

A new special committee on insurance school curricula was set up and will be headed by Mr. Hedges. College administrators and special consultants will be invited to become members. The first meeting is tentatively scheduled for Indiana University, Bloomington, Feb. 23-26.

In his presidential report, Mr. Hedges warned against hastily put-together and initiated teaching programs designed to court favor with, or to mollify, critics of higher education in general and education for business in particular.

"This has been done sometimes," Mr. Hedges stated. "I fear that without first determining the goals to be achieved or relating the program to the special situation of the institution

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### State Farm, Texas County Mutual Unite

It was revealed this week that State Farm Mutual Auto is making an affiliation with General Underwriters County Mutual of San Antonio and intends to contribute \$1 million to its surplus. The company will be renamed State Farm County Mutual Ins. Co. with executive offices at Dallas.

State Farm Mutual Auto, it is understood, will use the county mutual as a vehicle for writing business in its "standard risk" program which is designed to insure young or elderly drivers who are normally assigned risks for age reasons.

County mutuals are not required to use auto rates promulgated by the Texas department. They must use standard forms but are not required to use the safe driving insurance plan. The new State Farm County Mutual is authorized to write full cover auto plus fire and allied lines.

### E. V. Norton Is New Utah Commissioner

The new insurance commissioner of Utah is E. Virgil Norton, associate manager at Salt Lake City of Aetna Fire. Mr. Norton, who succeeds Carl A. Hulbert, resigned, operated his own agency, Intermountain Underwriters, until 1957 when it was purchased by Aetna Fire. It is understood he has arranged for early retirement from Aetna in order to take on the state position. Mr. Norton is a graduate of Utah State University and is chairman of the Salt Lake City Chamber of Commerce insurance committee.

### Royal Is Planning Acquisition Of London & Lancashire

Royal has offered to acquire through an exchange of shares all of the outstanding capital stock of London & Lancashire, parent company of the L.&L. group. The combination of the two groups will, it is said, produce the largest insurer in Britain.

The proposed acquisition is expansive in character and the resources of the two organizations can be developed more effectively and fruitfully in association, according to the announcement. The separate identity of London & Lancashire will be retained and existing rights and privileges of the staffs of both groups will be fully preserved, the announcement emphasized.

In the U. S., Royal and its eight affiliated companies, with \$553 million in assets at 1959 year end, wrote \$234 million in premiums in 1959. L.&L. and its three affiliates, with \$75 million in assets, wrote \$36 million in 1959.

### Mich. Commissioner Blackford Reappointed

Commissioner Frank Blackford of Michigan has been reappointed by Gov.-elect John Swainson to fill out his term which expires Oct. 11, 1963. The appointment is a surprise to industry and a number of politicians, because Mr. Blackford had publicly stated he would resign Jan. 1 to take up the full time study of law.

Mr. Blackford, who has never been confirmed by the Republican senate, filled out the unexpired term of Joseph A. Navarre, resigned, and was reappointed last year by Gov. Williams. He will fill out this term under the Swainson administration.

### 1960 Closing Bids On 123 Insurance Stocks

The year-end closing bid prices on the following list of insurance stocks is submitted by Cartwright, Vallee & Co., Board of Trade Building, Chicago. This is the list that appears monthly.

Company	12/31/59	6/30/60	12/30/60
Aetna Cas.	80%	78	96
Aetna Fire	76	79	91 1/4
Aetna Life	85 1/2	80 1/2	97 1/4
Agricultural	28	31	31 1/4
All Am. L. & C.	10	8 1/2	8 1/2
Am. Equitable	40 1/2	36	42 1/2
Am. General	33 1/2	34 1/2	30 1/2
Am. Home	40	43	41
American	26 1/4	26	27 1/2

Company	12/31/59	6/30/60	12/30/60
Am. Motorists	14	13 1/4	17
Am. National	8 1/2	7 1/4	7 1/4
Am. Reinsurance	42 1/2	43	41
Am. States	29 1/4	30 1/2	23
Bankers & Shippers	57	55	55
Bankers Natl. Life	19	20 1/2	22
Beneficial Std. Life	15 1/4	14	15 1/4
Boston	33	33 1/2	31 1/4
B. M. A.	40	41 1/2	42 1/2
Cal.-West. States	56 1/2	50	50 1/2
Camden	34	33 1/4	32 1/4
Combined	33	34	37
Commonwealth	21 1/4	18 1/4	21
Conn. General	354	345	400
Cont. Assur.	155	141	180
Cont. Cas.	72	72	87 1/2
Continental	54 1/2	52 1/4	56 1/2

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# Donna Adjusters Lauded By Witness

The prompt and intelligent claim service following Hurricane Donna was in many respects unique in the history of the insurance business, according to William P. Henderson, president of Henderson Tire Co., Detroit.

Mr. Henderson, who spends his winters in Naples, Fla., was on the scene "smack in the eye of Donna." He reports that the devastation could have demoralized the city were it not for the efforts of General Adjustment Bureau representatives and 40 experienced company staff adjusters. Aided by the four largest independent agents, who write about 90% of the business in the area, they proceeded to "sell losses to the owners' satisfaction and not just settle them," Mr. Henderson said.

## Final Donna Report

A final report on Donna by GAB will serve to put Mr. Henderson's observations in focus before returning to further comments by him. At Dec. 21, 1960, GAB had received 36,791 assignments in Florida and had inspected close to 99% of them, closing 32,717 or 89% of the cases. In all the 17 states involved, GAB received 172,705 assignments and closed 147,985 or close to 86%. This is an average of 1,479 losses concluded per day, including Saturdays, Sundays and holidays in the seven day work week GAB men have observed since Donna struck.

At Dec. 21, only 14.4% of losses reported to GAB remained open, and GAB was still receiving assignments at the rate of approximately 700 a week. A particularly interesting point is that 22,279 or more than 15% of losses closed involved "no claims."

In Florida—hardest hit of the states involved—GAB's average claim cost was \$880. In North Carolina the average cost was \$226. For the states under GAB's southeastern department, the average claim cost was \$514, and for the states under the eastern department it was \$175. These figures can be related to the complete tabular report on GAB's Donna experience in

all states involved which appears at the conclusion of this article.

The bureau reports that 625 adjusters were moved into the 68 storm offices set up in 17 states. Of these adjusters, 96 were from the Pacific Coast department; 116 from the western; 47 from the southwestern; 103 from the eastern, and 190 from the southeastern. Underwriters Adjustment Bureau of Canada provided 52 men and Underwriters Adjusting of Chicago added 21. The 535 GAB men permanently assigned to branches in stricken areas brought the total working on Donna to 1,160.

Mr. Henderson's vivid reporting gives life to Donna statistics. He notes that Naples is the southernmost city on the west coast of Florida, 40 miles south of Fort Myers and 100 miles west of Miami. It stretches along seven miles of beach facing the Gulf of Mexico and is only two miles wide.

The city is a self-sustaining winter resort with 3,000 hotel and motel rooms and a normal number of business structures. The bulk of the value is found in 2,000 private homes, many with guest houses. While they range in value from \$15,000 to \$300,000, the value of the homes averages \$40,000. It is a new community, as the average age of the homes is about 10 years.

Mr. Henderson said it is difficult to visualize the destruction of 140 mile northwest winds, then 72 minutes of dead calm in Donna's eye, followed by 175 mile southwest winds which brought in a salt spray and a 12-foot wall of ocean water. Local people took

on the job of cleaning up the debris, restoring transportation and communications. The task was increased by the need to restore, replant and prop up 12,000 trees. This was done under martial law, nightly curfews, the need to boil water, and under safety precautions.

## Daily Rainfall

As hundreds of homeowners streamed into town they found 90% of the homes with roofing materials blown off or damaged and windows smashed out. They were also to suffer an almost daily rainfall of one inch in the ensuing weeks. This is nature's way of diluting salt water damage for all trees, shrubs and lawns, Mr. Henderson explained, but it made it next to impossible to protect homes and furnishings and increased losses by as much as 20%. The daily rains and a 95-degree temperature brought high humidity which had a demoralizing effect on the people.

It was in this atmosphere that the adjusters arrived and proceeded to do a job unique in Mr. Henderson's experience. He emphasized that they did not buy insured's satisfaction through overpayment, but they did a forceful "selling" job of adjusting on an adequate basis which will prevent the reopening of countless losses.

The public relations job was accomplished in the face of many difficulties. GAB has noted that up until 1950 Florida had been hit by a hurricane each year for 10 straight years. Policyholders, agents and field men

accepted the grim reality of the annual big blow.

But there had not been a Florida hurricane for 10 years until Donna struck. Meanwhile the population almost doubled. About 50% of property owners were not in the state in 1950. In the 10 years, many new agents had entered the business, as well as a new corps of special agents. Donna was a novel experience for them, and this did not aid the adjusters who were already up against formidable difficulties.

## Had To Act Swiftly

GAB has noted that before they could approach their primary task of settling claims to the customers' satisfaction, the adjusters had to act swiftly under crushing handicaps to set up the most rudimentary operating facilities. Sawhorses and doors were used as makeshift desks. Telephone lines were hard to get. Clerical help was almost non-existent. Sanitary facilities were almost completely lacking. Water had to be boiled. Nevertheless, the adjusters overcame all of these problems, and went into action "selling" claims, as Mr. Henderson has observed.

Adjusters were plagued by unreasonable estimates and coinsurance violations. Wave wash was a factor in several Florida areas, and most estimates included such damage since insured thought they were covered. All such figures had to be deducted—a tedious business. Depreciation and deductibles added to the difficulties.

Because of the slow forward motion of Donna, the affected area in the Florida Keys was lashed with peak hurricane winds for two hours. Many structures were severely damaged or destroyed before the sea rolled in.

This sequence posed unusually difficult adjustment problems. The question on every loss involving risks exposed to the action of the sea water was how much destruction occurred prior to the wave. In many cases it was impossible to determine with any

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## Mutual Of Omaha Has 46-Day Enrollment For Over 65 Health Cover

Mutual Benefit H.&A. will conduct a "Senior Security" policy enrollment period between Jan. 1 and Feb. 15. The enrollment will allow people ages 65 and over to purchase, without health qualifications, hospital, surgical, convalescent and nursing home coverage as well as an in-hospital weekly payment policy. The two different policies, both with a renewal safeguard, will be offered during the 46-day enrollment period.

The "Senior Security" policy was introduced about two years ago. It pays hospital room benefits, miscellaneous expense and surgical benefits, and convalescent or nursing home benefits when preceded by hospitalization for the same disability. The "Senior Security Special" pays \$50 a week for up to 50 weeks while the insured is hospitalized. It has the potential of paying up to \$2,500 for a \$4.50 monthly premium.

Since the first enrollment in March of 1959, Mutual of Omaha has sold about 300,000 policies. Five new plans have been developed since 1959 including a major medical policy.

## Brown, Dickinson In New Positions For Aetna Casualty

Roy Brown has been named associate manager at Newark by Aetna Casualty and will become manager next June when John H. Nolan, presently head of the office, retires. Mr. Brown, who has been in charge of the Springfield, Ill., office for four years, will be succeeded as general manager there by H. L. Dickinson.

Mr. Brown joined Aetna Casualty in Chicago in 1946, and after experience in the field was named superintendent of the agency department at Atlanta. Subsequently he served two years as manager at Grand Rapids before going to Springfield.

## To Eye The Insuring Of Foreign Operations

A workshop on insuring foreign operations of business and industry will be conducted by American Management Assn. Jan. 23-25 at New York. Robert Ashton, Chrysler Corp., and Kenneth J. Brown, American International Underwriters, will act as discussion leaders.



"... Probably the greatest asset a Travelers adjuster can possess is an understanding of his fellow humans and the ability to deal with them on a fair and equitable basis in terms they can understand... One of his main purposes is to find ways and means to pay proper claims in full amounts with sincere regard for the extent of damage involved."

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## PA. SUPREME COURT

## Rules Landslide Damage Covered By Contractor Policy

A contractor's liability policy was interpreted by the Pennsylvania supreme court in a case involving landslide. The court upheld a lower court verdict for the contractor. The case was that of Leebov vs U.S.F.&G. 10 CCH (Fire & Casualty) 572.

Leebov went into the construction business in Pittsburgh in 1940 and purchased a contractor's liability policy from U.S.F.&G. which was renewed from year to year. In 1948, a landslide occurred during the contractor's operations, and U.S.F.&G. paid the claims.

In 1950, while Leebov was excavating a hillside preparatory to erecting a one-story warehouse, a break occurred in the bank, and the land began to slide. The porch of one house

on top of the hill collapsed. Leebov immediately stopped excavating and drove his trucks against the sliding bank. He called in a shoring expert and notified the insurer. It sent in a safety engineer, who approved of the measures taken and in no way suggested that the insurer was disinterested.

It cost Leebov \$13,047 to repair the damage done and prevent further loss, plus \$1,700 paid on a claim for damages by a house owner.

The insurer denied liability. It contended that the liability arose out of a contractual relationship with the shoring expert and other workmen. To this argument the high court responded that "the fact, however, that the money was paid to persons who worked for the plaintiff did not absolve the insurance company from liability under its policy which covered losses arising 'by reason of the liability imposed upon him (plaintiff) by law for damages because of injury to or destruction of property. . .'"

The court also pointed out that if Leebov had not taken immediate and substantial measures to remedy the

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## Year-End Prices Of 300 Insurance Stocks

Cartwright, Valteau & Co., Board of Trade Building, Chicago, submits the following tabulation of bid prices for a long list of insurance stocks. This list will appear no less frequently than semi-annually in THE NATIONAL UNDERWRITER. The latest prices shown are those of Dec. 29, 1960, and (where available) the bid prices at Dec. 31, 1959, and June 30, 1960, are included. Many of these issues are inactively traded. The bid prices are those either as they appear in the National Quotation Service or as furnished by dealers familiar with particular issues. The offering prices are always higher than the prices shown. In some cases the bids are only approximate.

The quotations for a number of the issues are those that appeared during the latter period of 1960 and can't be pinpointed as of the closing day of the year. Because so many names in this list are rarely traded, the prices shown should be regarded frequently more as reference points than as an absolute market.

Company	12/31/59	6/30/60	12/30/60
Academy Life, Colo.	3	2½	2½
Accredited Hosp. & Life	8		
Afro-Am. Life	151	150	150
Ala. Natl.	2½	2½	2½
All Am. Assur., La.	2½	2½	2½
All States Life	4½	3½	2½
Am. Bankers	13½	14½	14½
Am. Bankers Life	14	14½	14½
Am. Capito. Tex.	3½	3	3
Am. Druggists, Ohio	69	69	71½
Am. Cas., Pa.	21½	21½	21½
Am. Empire Life	2	1½	1½
Am. Fidelity & Cas.	13½	11	12
Am. Fidelity Life	13½	10½	8½
Am. Homeowners, D.C.			5
Am. L. & A., Ky.			60
Am. Fire & Cas.	18½	19	17
Am. Founders Life, Colo.	1	1½	1½
Am. Founders, Tex.	31*	24	22½
Am. Heritage Life	10	8½	6½
Am. Ill. Life			1½
Am. Income Life, Ind.	17	11	8
Am. Indemnity, Tex.	20	23	23
Am. Indemnity, Md.	135	135	250*
Am. Indep. Reins.	3	2½	2½
Am. Life, Ala.	7	7	6½
Am. Life Cos., N.D.			8½
Am. Life & Cas., N.D.	8½	9	9½
Am. Mercury	2½	3	2½
Am. Policyholders	25	25	20
Am. Service Life	4½	3½	2
Am. Surety Life	19	14½	15½
Am. Trust Life, Tex.			40*
Am. Underwriters, Wash.	5½	6	6
Amicable Life	55	55	53
Appalachian Natl. Life	2½	3	3
Argonaut	4	5½	5½
Associates Life	4½	4½	
Atlanta Life	147		
Atlantic Natl. Life	1½	2	2½
Atlas Life	75	57	50
Aviation Empl. Corp.			1½
Bankers Fire			3½
Bankers Fld. Life	3½		
Bankers Life & Cas.			4½
Bankers H. & L.			160
Bankers Union Life	46	55	65*
Bankers Sec. Life	160	225*	
Bankers Life, Ind.	160	151	145
Benjamin Cas.	90	95	105*
Blue Ridge Fire			3*
Brit. Am. Life			150
Buckeye Union Fire	45	50	
Buckeye Union Cas.	35	40	
Calhoun Life	9½	7½	
Capitol Indem., Ind.	2*		
Capitol F. & C., Ala.	1½	70*	1
Capitol Life, Tenn.	1½	2	1½
Central Standard Indem.	9½	14	12
Central Standard Life	17½	17½	16½
Cen. States Life, Tex.	1½	1½	1½
Century Life	17½	18½	23
Cherokee Ins.	19	15½	15½
Chesapeake Life	17	32	35
Cincinnati	43	46	48
Citadel Life			20
Civil Serv. Empl., Cal.	21	35	40
Citizens Cas.	8½	8½	8½
Citizens Life	10½	9½	10½
Citizens Natl. Life, Ind.	3	3	3½
Citizens Sta. Life, Tex.	6½	13½	16½
Coastal States Life	24	19	16½
College Life	58	52	51½
Colonial Am. Life	3½		
Colonial Life			125
Colo. Credit Life	7½	3½	½
Columbia Gen. Life, Tex.	1½	½	½
Commercial Life, Mo.	3	4½	5*
Commercial Standard	21½	21	20½
Consol. Am. Life	5½	4½	3½
Constellation Life	3½	2½	
Consumers Natl. Life	3½	3	2½
Cont. Fld. Life, Ariz.	8	8	9
Continental Life, Tex.	4½	3½	
Cont. Am. Life, Del.	65	63	63
Cont. Am. Life, Tex.	1½	1½	1½
Cont. Fld. Life, Tex.	¼		
Cornbelt	2½	3½	2½
Cornbelt Life	4	3½	4½
Credit Life	250		

Company	12/31/59	6/30/60	12/30/60
Durham Life			38
East. Fire, N.J.	3½	3	2½
Eastern Life	32	27	31
Empire L. & A.	210		
Employers Cas.		29½	27½
Equitable Life, D. C.	46½	47	47½
Estate Life, S. C.	2¼*	1	
Excelsior Life	179	230	
Excelsior, N.Y.	8½	8½	8½
Family Natl. Life	14	8	7½
Farmers & Bankers Life	73	65	65
Farmers New World	110	105	105
Federal Life & Cas.	84	79	73
Fidelity Bankers Life	7½	6½	7½
Fidelity Union Life	182	180	200
Fire Und. Assn.	31	32	37
First Am. Life, Tex.	1	1	
First Colonial Life	7	6	
First Fed. Life			50
First Fidelity, Okla.	2½	1½	1½
First Natl. Life, Ariz.	9	8	6½
First Natl. Life	63	63	65
First United Life	5½	4	
General Life, Wis.			3
General Serv. Life	26	32	26
Georgia C. & S.	3		
Georgia Intl. Life	5½	4½	4½
Germantown Fire	130	125	125
Gibraltar Life	9	10	8½
Girard Life	25		
Great Am. Life, Kan.	23½	23½	24
Gr. Am. Life, Ind.			23
Great Am. Reserve		2½	2
Great Atlantic Life	3½	2½	2
Great Fidelity Life	2½	2	1
Great Lakes, Ill.	30	30	30
Great Natl. Life	12½	11	11
Great NW Life	40	35	35
Great Plains Life	4	4	
Great SW Life, Tex.	2½	3	4½
Great Western Life	1½	1	1½
Guaranty Savings Life	12	8½	7½
Hamilton Natl. Life		5½	5½
Hawkeye-Security	70	70	67½*
Home Benef. Life	460		
Home Life, Pa.	100	100	105
Home Owners Life	8½	7½	4½
Home Sec. Life	167½		
Industrial Life	30	31½	31
Ill-Mid Cont. Life		8½	7½
Ins. City Life	32	28	22½
Ins. Corp. of Am.	29½	29½	29½
Insurance Shares Cert.	29½	29½	34½
Inter-Ocean Ins.	50	48	48
Inter-Ocean Reins.	43	50	60
Interstate Life & Acc.	10½	9	7½
Investors Sec. Life			33
Jeff. Natl. Life	18	18	17½
Kennesaw Life & Acc.	2½	2	1½
Ky. Central L.&A.	11½	13	10½
La Salle Cas.			3
Legal Standard			1½
Liberty L.&A., Mich.		2	1½
Liberty, Tex.		8½	8
Liberty Life, S. C.	20	17	14
Liberty Natl. Life	60	56	59½
Life Assurance, Pa.	14	18½	17
Life Ins. Co., Ala.			18
Life Ins. Co., Ga.			58
Life Inv. of Iowa		2½	3½
Lincoln Am. L., Tenn.		2½	
Lincoln Liberty Life			8½
Loyal Am. Life	6½	3½	3½
Loyal Protective	60	52	49
Maine Fidelity Life	7	4½	3½
Mammoth L. & A.	16	17	
Manhattan Life	415	560	570
Maryland Life	61	57	63
Maryland Natl. Ins.	14½	15	14½
Mass. Cas.	16	16½	17
Mass. Plate Glass	30	30	30
Mercantile Sec.	12½	11	12½
Michigan Life	350	300	275
Mid-Contin. Life, Okla.	60	60	55
Midwest Life	750	800	800
Mission, Cal.	9½	11	10½
Mobilife			2½
Municipal Ins.	2	2	2
Mutual Savings Life	2	7½	7½
Natl. Am., Nebr.	150	160	160
Natl. Am. Life, La.	3½	3½	2
Natl. Bankers Life	57	45	63
Natl. Educators Life	7	6½	6½
Natl. Fidelity Life	17½	17½	15
Natl. Home Life			1

(CONTINUED ON PAGE 29)

## Levering Cartwright INSURANCE STOCKS

Life-Fire-Casualty

Cartwright, Valteau &amp; Co.

Members Midwest Stock Exchange

Board of Trade Building

Chicago 4, Illinois

Wabash 2-2535 Teletype CG1475

You may telephone orders collect.



# Views On How Business Should Be Run And Product It Should Offer

During the 1960 convention in Washington, D.C., of National Assn. of Mutual Insurance Agents, Shelby Mutual maintained a booth in which visiting agents were asked to express their opinions on these topics:

1. The special auto policy. 2. Safe driver plans. 3. Six months policy. 4. Do finance plans help improve policyholder paying habits? 5. Should some payment be required before a policy is effective, as in life insurance? 6. Direct billing. Do you want premium breakdown on coverage renewal endorsement, or on bill sent to the policyholder? 7. Are company prepared renewals helpful? 8. How about company prepared accounts current?

9. Would you like all coverages for home and auto in one contract? 10. Do you prefer writing your own policies, or would you like a policy writing service?

11. Would you use facilities for mercantile broad form building and contents, with or without water damage? 12. Do you need a multiple location building form? 13. Any need for additional facilities for large fire lines? 14. Would you favor a mandatory deductible on hail and wind? On all perils?

15. Ideal office location—downtown grade floor, suburban grade floor or what? 16. Have you tried or considered joint office operations with other agents? 17. What kind of advertising has worked best for you? In direct mail have gift offers brought more expiration dates than similar mailings without such offers?

18. Are you interested in standardization of policy and endorsement forms? 19. Are educational clinics worthwhile? Which are more helpful, those sponsored by individual companies or field clubs? 20. For the personal lines of homeowners and auto, which produce better results: A balance between commission and deviation (or dividend)? Higher commission than deviation (or dividend)? Less commission and higher dividend (or deviation)?

In substance, the replies were:

There are entirely too many special policies. Safe driver plans simply confuse the issue. There is a demand for three months' policies if they could be handled with annual renewal or a continuous policy, thereby really making it simply a three months' collection matter.

A finance plan helps collections. The agent should be encouraged to get away from carrying accounts at agency expense. Some payment should be required when the policy is written as a new risk. The problem arises with the renewals. The down payment should not be a company requirement but an agency one. Direct billing is all right as long as the bills are sent to the agent and from there to insured. Company-prepared renewals are helpful if they can be done by machine. I believe the time will come when companies will prepare all accounts current, and the agent will pay according to their figures.

X X X

Automobile insurers are too lax in settling claims. When an accident occurs and a claim is reported, instead of sending out a \$25 or a \$50 a week clerk to investigate the claim, a \$10,000 a year man should go out and make an honest-to-goodness investigation and

settle the claim in a hurry, if it is a legitimate claim, otherwise take it to court and battle it all the way. If companies did that, it would relieve the automobile casualty situation pretty quickly.

X X X

When on this merit system are they

going to forget this foolish idiotic point charge for these silly little traffic tickets?

X X X

1. O. K. 2. I agree with this idea. Six months policy periods are all right, but not three months. 4. Financed plans do help. 5. I do not

believe in payment before policy takes effect. 6. We oppose direct billing.

Package policies are fine if underwriting is reasonable in the separate lines. We like a policywriting service. Mandatory deductible is good on wind and hail; however it does encourage inflated claims. I like a suburban location for an office.

I have considered joint office operations and have declined it. I don't think too much of the special auto policy, the standard policy with deviation is very satisfactory for the average.

(CONTINUED ON PAGE 22)

ORVILLE A. SHEFFER, PRESIDENT  
H. C. CUNNINGHAM, SEC'Y-TREAS  
JACK NOLL, VICE PRESIDENT  
AND GENERAL MANAGER  
WM. M. HAUN, VICE PRESIDENT  
G. E. CARNAHAN, VICE PRESIDENT  
EDMUND PENDLETON, OFFICE MGR.

**CLAIMS, INC.**  
ADJUSTERS

SINCE 1930

TELEPHONE  
AMHERST 7-5221

## WE KID YOU NOT!

### QUESTIONS

1. Are you being fooled by low hourly rates and inflated hours?
2. Is a bill itemized unless it shows actual time per operation?
3. Is a \$4.00, \$5.00, or even \$6.00 per hour charge proper on a basis of adjuster's salary plus overhead?
4. Is there any way to correctly measure time?

### WE HAVE THE ANSWERS

(WE KID YOU NOT!)

1. Yes — not once or twice, but perhaps three times.
2. No — repetitive operations by the thousands develop AVERAGE ACTUAL TIMING. (Note the flat rate used by all auto manufacturers.)
3. No — state and national surveys continually show the productive time of a \$6,000 per year man to be \$7.15 per hour. (Don't take our word for it, ask your cost accountant.)
4. Yes — honest reading of any \$15.00 watch.

FILE	DATE	196	CO.	ADJ. NO.	TYPE
1	Adjuster				
2	Agency				
3	AP & ID				
4	Assured				
5	Attorney				
6	Bills				
7	Claimant				
8	Company				
9	Driver				
10	Draft				
11	Driver				
12	Endorsement				
13	Estimate				
14	Examiner				
15	Hearing				
16	Inspection				
17	Investigation				
18	Medical				
19	Photograph				
20	Police				
21	Principal				
22	Proofs				
23	Referral				
24	Release				
25	Repairman				
26	Salvage				
27	Situs Invest.				
28	Subrogation				
29	Valuations				
30	Verification				
31	Witness				
32	TOTALS				
33	GRAND TOTAL				
TICKET NO. T 11002					FORM 107-A

FILE	DATE	196	CO.	ADJ. NO.	TYPE
1	HOTEL				
2	MEALS				
3	MILES NO.				
4	From				
5	To				
6	Phone				
7	Police				
8	Postage				
9	TAXI				
10	TELEGRAPH				
11	OTHER IN DETAIL PLEASE				
TOTAL					T. 5551

When you buy from CLAIMS, INC., you buy accurate, actual time from capable, experienced adjusters who are on a monthly salary (not a 60/40 or a 50/50 commission basis). CLAIMS, INC., guarantee satisfaction. (Ask the companies we have represented for 20, 25, or even 30 years.)

\*Apologies to Jack Paar

CASUALTY • COMPENSATION •  
AUTO • SURETY • AIRPLANE

QUALITY NOT QUANTITY

30 YEARS — SAME LOCATION — SAME MANAGEMENT

Formerly Sheffer-Cunningham  
**CLAIMS, INC.**  
ADJUSTERS  
202 CENTRAL BUILDING  
WICHITA 2, KANSAS

## Merit Rating Widely Used In Europe; No Claims Credits Run Up To 70%

The following observations on merit rating of automobiles insured in Europe were made by Bernard Mercer, executive vice-president of Preferred Risk Mutual of Des Moines. Mr. Mercer has just returned from an extended trip abroad where he discussed merit rating with insurance company officials in seven countries. His comments are:

Merit rating, currently a hot potato in American insurance circles, does not appear to be a controversial item in Europe. In October and November, 1960, I visited with officials of insurance companies in seven countries—England, France, Italy, Switzerland, Holland, Denmark and Sweden. Not one of the seven was without some kind of merit rating program.

The amount of the claim-free discount and the modus operandi of the programs varies from country to coun-

try. However, there were certain general items of interest common to all the countries. Practically every one of the insurance officials contacted was of the opinion that merit rating had actuarial validity as a system of classification. Aside from this factor, all of them were of the opinion that it was simply sound public policy to reward the driver who had no claims and penalize the driver who did. This principle of a special bonus for the good, appeared to loom larger in their general thinking than the actuarial soundness of the program.

### Some Differences

Some differences exist in the treatment of giving the claim-free discount in advance, based on the driver's experience prior to the time he was written by the particular company involved. A minority of countries require that the claim-free record be

earned with the company, before the discount is given. A majority of the countries allow the discount based on the applicant's driving experience prior to the time he makes application to the company involved. However, in these cases, strict proof is required to corroborate the alleged claim-free record. In nearly all cases, this proof consisted of supplying the name and address of the applicant's previous insurer so that the applicant's record with that company can be accurately checked. Inability by the applicant to produce the information means that he will not be given the advance discount.

The exact amount of the claim-free discount in each country, as well as other aspects of the various programs, is of some interest.

In England, all automobile insurers give a discount based on the applicant's past driving record. Most of the companies give discounts up to 30% for up to six years of claim-free driving. A few companies give a discount up to 50% for six years of claim-free driving. Practically all of the companies that give the discount give it in advance, based on the applicant's record with a previous insurer.

### Practice in France

In France, merit rating programs vary considerably. Also, they are of comparatively recent origin. Some companies give claim-free discount, others do not. A majority of those that give the discount, give 10% for two years of claim-free driving. The discount is allowed based only on the applicant's experience after he joined the company.

In Italy, a majority of the companies pay up to a 25% discount based on insured's experience with the com-

(CONTINUED ON PAGE 21)

## Set N. C. Hearings On Fire Revisions; New Golfmobile Class

Commissioner Gold has approved two filings and set hearings on four others made by North Carolina Insurance Rating Bureau. He approved a separate classification and rate reductions on auto PHD for golfmobiles, previously classed with motor scooters. Rate reductions on certain risks will also result from Mr. Gold's approval of alterations in the recently approved rating method for fire resistive and non-combustible properties. Wooden roof decks which have been impregnated to reduce flame spread are recognized.

### Public Hearings Scheduled

Public hearings will be held Jan. 20 on four filings. Two of them would reduce rain insurance rates 25% and substantially increase rates on trailer homes. Another would authorize a homeowners endorsement permitting exclusion of an unusual hazard which the homeowner is willing to accept to obtain the other coverages. A fourth would permit revision of the EC section of the manual to consolidate 50 classifications into 15 and make rate changes. The most significant rate change would be an increase on apartments in the seacoast territories from 14 cents to 20 cents per \$100 of coverage.

## Court Asks Gold To Reconsider Rejected Auto Rate Filing

A superior court judge has ordered Commissioner Gold of North Carolina to reconsider his ruling denying a 9.5% increase in auto liability rates sought by the North Carolina Automobile Rate Administrative Office.

Judge McKinnon, in a ruling handed down in Wake superior court, said the rate office had produced evidence "sufficient, if believed, to support a finding that there has been a material increase in losses since the approval of present rates and to support a finding that present rates are now inadequate if the loss ratio claimed by the rate office is accepted as correct."

Commissioner Gold denied the rate increase last April, contending the rate office had failed to justify it. He stated then that the incurred loss ratio in the filing was too high and there was "a material difference between average paid losses and average incurred losses."

The rate office appealed and the case was heard in October. At the time, attorneys for the state argued that excessive reserves were being set up against claims.

Judge McKinnon said the commissioner's findings of fact "are not specific enough to enable the court to review properly the decision of the commissioner and to determine where in the rate office failed to meet the burden of proof."

He remanded the action to Mr. Gold with instructions to make specific findings of fact in support of his conclusion and conduct such further proceedings in this cause or make such modifications in his decision as are permitted by law. The annual rate review for 1961 is due in February.

## Indiana Lumbermens Promotes Skinner To 2nd V-P At Dallas

Indiana Lumbermens Mutual has named Richard F. Skinner a resident vice-president at Dallas. He will be in charge of operations in the southwest and will manage the company's new Dallas office, to be completed early this year.

Mr. Skinner joined the company in 1938 as an underwriter. After the war he returned to the company as a special agent for Ohio and in 1952 as a special agent supervisor for Texas. He is also 2nd vice-president of Southwestern Insurance Information Service.

## 2% Uninsured In S. C.

Approximately 16,400 motorists in South Carolina, 2% of total motor vehicle registrations in the state, failed to show proof of financial responsibility and paid \$20 into the uninsured motorists fund, which is for the protection of insured motorists injured by uninsured motorists. The state highway department indicated that the state now has a greater percentage of insured motorists than states with compulsory laws.



R. F. Skinner

## SUPERIOR FACILITIES

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to Excess and Surplus  
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**THINK WISE**

...and think about 4-Way Homeowners Protection for the usual cost of fire insurance alone!

Why be satisfied with "fire and extended coverage" insurance on your house and contents when you can, for the same cost, State Farm may insure you against all four major risks? The new State Farm "Homeowners" Policy is an all-in-one package that covers (1) Home, (2) Contents, (3) Theft, (4) Liability. Most "homeowners" policies save you about 25% over the cost of separate coverages. But State Farm usually saves you an extra 10-15% over and above this. Why wait? You can buy this "Homeowners" protection now and get credit for your old policy. Call your State Farm "Family Insurance Man." He's listed in the Yellow Pages under "State Farm Insurance."

**THINK CAGEY**

Think about saving \$10, \$20, \$30 or more on car insurance!

State Farm policies save that much, even more, compared to the rates most other folks pay. If you're a careful driver, chances are YOU can save, too. (In Texas, eligible policyholders have received their savings as dividends.) And at home or on the road, State Farm gives you claim service as good as any.

State Farm policies save that much, even more, compared to the rates most other folks pay. If you're a careful driver, chances are YOU can save, too. (In Texas, eligible policyholders have received their savings as dividends.) And at home or on the road, State Farm gives you claim service as good as any.

State Farm policies save that much, even more, compared to the rates most other folks pay. If you're a careful driver, chances are YOU can save, too. (In Texas, eligible policyholders have received their savings as dividends.) And at home or on the road, State Farm gives you claim service as good as any.

**STATE FARM THE CAREFUL DRIVERS' AND CAREFUL BUYERS' CAR INSURANCE**

State Farm Mutual Automobile Insurance Company • Bloomington, Illinois

# Advertising that Helps Agents Sell

"Auto insurance is something the prospect buys once or twice a year. Continuity of the policy is important. The State Farm agent who sells Auto insurance... the company insured 6 million autos in 1960... can call on these same prospects and policyholders to sell Fire and Property insurance and Life insurance. In our advertising and our trade-mark, we emphasize three lines... Auto-Life-Fire."

These are the words of Thomas C. Morrill, Vice President of State Farm Mutual Automobile Insurance Company and its affiliated companies, State Farm Fire and Casualty and State Farm Life Co. Mr. Morrill's statement clearly spotlights the marketing strategy of a consumer advertising program geared to direct support for agents. It is based on the theory that a higher frequency of agent calls on Auto insurance prospects can turn into leads for Life and Fire insurance as well. As State Farm's magazine advertising shows (see ads above), their consumer copy appeal follows the same approach.

## Insurance Companies Differ

There are differences among insurance companies, and State Farm, through its magazine advertising, is anxious to make these differences known to a wide audience. Mr. Morrill outlined these five objectives for advertising:

1. To bring about a public awareness of State Farm;
2. To impress the public with the cost differences which exist for automobile insurance between firms like State Farm and other companies;
3. To emphasize that this is not cheap cover-

age but quality coverage at low cost, a prime reason why State Farm insures more automobiles than any other company;

4. To present the State Farm agent as "a friendly guy who knows his business and lives near by";

5. To stimulate the activity of the agent, so he will follow up the advertising message with a personal call and a sales interview. To encourage the agent to sell all lines.

## Advertising Supports Sales

Advertising director at State Farm is Charles B. Foote, who handles the advertising of all lines from the home offices in Bloomington, Illinois. In addition to magazine advertising, the company shares in sponsorship of the popular CBS Jack Benny Show.

Slanting its sales message to feature a price advantage in car insurance, State Farm ad copy tells the reader to think smart, to think wise, to think cagey. In 1960, the "think" campaign ran in LOOK, Post, and Reader's Digest. The company used a full page and a facing half page. Mr. Foote said: "LOOK gives us nationwide circulation in areas we want to reach."

In the farm areas where price competition is more intense, the big story is good service. Therefore the service story is told in advertising in Farm Journal, Progressive Farmer, Successful Farming, and Farm and Ranch.

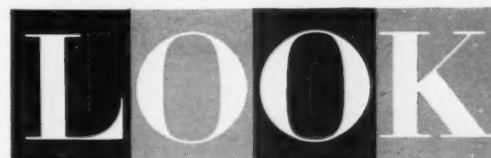
## Identifying the Agent

The State Farm agent is helped to identify himself with the national advertising message through cooperative newspaper advertising and TV shorts. District managers are given a promotion handbook. A catalogue of all sales materials is given to each

agent for direct mail, pre-approach, and point-of-sale. The monthly field magazine promotes current advertising, outdoor advertising, and tie-in materials.

## Agents Preview Ad Campaign

Early each year the State Farm "advertising and appointment calendar" places on every agent's desk a preview of an entire year's campaign. The calendar is illustrated with reproductions of the advertisement which will appear during the month. Insertion schedules and publication dates for magazine advertising and TV sponsorship are imprinted on the appointment calendar. It is a constant reminder each day and week of the advance planning the company has done to help its agents sell.



The exciting story of people... what they do, what they feel, what they want, what they think... an ever-changing story told with warmth, understanding and wonder.

Reaching into 16,850,000 households with a single issue



SIGNAL PERFORMANCE  
IN WRITING ALL LINES  
TO THE NEED...

Lincoln casualty co.



*a Stock Company*

PORTLAND, OREGON    SPRINGFIELD, ILLINOIS    CHICAGO, ILLINOIS

R. M.  
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## R. L. Thiele Retiring, National Inspection Raises 3 At Chicago

R. L. Thiele, manager National Inspection Co., Chicago, retired Dec.



R. L. Thiele

31 after 45 years with the company and 52 years in the insurance business. He will be succeeded by P. A. Pederson, who moves up from assistant manager. Charles H. Strong, chief engineer, becomes assistant manager and K. G. Wintermeyer, inspector, succeeds to the post of chief inspector.

Mr. Thiele began in the insurance business with Providence Washington at Chicago in 1908 as an examiner, remaining with the company until 1915 when he joined National Inspection. He served in various capacities, becoming manager in 1955. Mr. Thiele's future plans do not include leaving Chicago.

Mr. Pederson has been with National Inspection since 1925, except for two years with Hartford Fire as a special hazard underwriter. He began in insurance with L.&L.&G., subsequently going with Springfield F.&M. as Wisconsin examiner. For 14 years he headed National Inspection's St. Louis office as district inspector, being named assistant manager at the home office in 1942. He is a director and secretary of Norwood Park (Ill.) Old People's Home.

Mr. Strong joined National in 1929 and was district inspector for the Oklahoma-Kansas-Missouri field for several years. He later traveled extensively in the 13 midwestern states on special assignments. He was appointed chief engineer in 1955. He is an elec-

## New Handbook Of Ohio Is Published

A new Underwriters Handbook of Ohio has just been published by the National Underwriter Company. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Ohio handbook may be obtained from the National Underwriter Company at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

## Assn. To Move To Albany

Headquarters of Mutual Agents Assn. of New York State are being moved from Syracuse to Albany early in 1961. More and more of the association's work centers around Albany or New York. Almost all legislative and department hearings are held in those two cities. State offices are located in Albany, and for three months of the year the legislature is in session there.

It has been recommended that the association purchase a two-story colonial residence on Western Avenue for the new offices.

trical engineering graduate of the old Armour Tech.

Mr. Wintermeyer joined National in 1946 as an inspector, working out of the Chicago office since that time, except for three years with Pearl as Chicago and Indiana field man. He received his B.S. in mechanical engineering from Illinois Tech in 1941.

National Inspection was formed in 1903 and specializes in heavy inspections, supplying insurance companies with underwriting reports. In addition to the home office staff, the company has resident inspectors in eight principal cities in the midwest.



P. A. Pederson, newly promoted manager of National Inspection Co., flanked by K. G. Wintermeyer (left) and Charles H. Strong, who have been elevated to chief inspector and assistant manager, respectively.

## PRIMARY COVERAGES IN ILLINOIS

WORKMEN'S COMPENSATION	GARAGE & DEALERS LIAB.
AUTOMOBILES & TRUCKS	LIQUOR LIABILITY
OLT—MFRS. & CONTRACTORS	MALPRACTICE LIABILITY
COMPREHENSIVE GEN'L. LIAB.	BEAUTY SHOP LIABILITY
COMPREHENSIVE PERSONAL LIAB.	BURGLARY
PRODUCTS LIABILITY	PLATE GLASS-50/50

★ Special Retros on Large W.C.-Liab.-Fleets, Etc.

## EXCESS LIABILITY

All 3rd Party Liability Including Excess  
Above Assigned Risk Auto Limits to  
100,000/300,000/100,000.

## SURPLUS LINES

OUTSIDE ILLINOIS — Through Licensed Surplus Lines Agents in Those States And Territories Which Permit Non-Admitted Carriers To Write Liability Coverages.

THE CASUALTY COMPANY WITH EXTENSIVE FACILITIES . . .

FLEXIBLE UNDERWRITING . . . REALISTIC RATING . . .

INDEPENDENT!

SINGLE RISK REINSURANCE TO \$2,000,000!!!!

FIDELITY GENERAL



INSURANCE COMPANY

A STOCK COMPANY

Randolph 6-4060

222 West Adams Street  
Chicago 6, Illinois

Complete Reinsurance

Through Unbroken Communication,

Absolute Faith

and

"Person to Person"

Underwriting

Treaties - All Lines - Facultative

H. M. HAMILTON & CO., INC.

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Phone TR 5-4247  
H. M. Hamilton, Jr.

DALLAS

3906 Lemmon Ave.  
Phone LA 6-7539  
Erie C. Patrick

## NEW YEAR INSURANCE POSITIONS

The past 30 days have produced a greater number of outstanding positions than any in the past decade. More than at any time in the past insurance companies are recognizing the importance of obtaining quality personnel, and offering salaries accordingly. All listed openings are with organizations recognized throughout the industry as progressive and well managed. Wide range expansion plans and a dearth of men with executive potential (a result of the war years) accounts for the choice selection of positions available.

Mo. Chief Acct.	\$10,000	Mich. Mul. L. Br. Mgr.	\$12,000	Mo. Mul. S. Agt.	\$ 9,000
NY St. Mul. L. Lais. Supv.	\$12,000	Tex. Mul. L. Undr.	\$ 9,000	East Cas. Act.	\$16,000
East Jr. Actuary	\$12,500	NY St. Fire Eng Mgr.	\$13,000	Ill. Mul. L. Sls. Mgr.	\$15,000
Ind. Fire Undr.	\$ 9,000	Chgo. Corp. Ins. Asst.	\$ 8,500	East Fire Loss Mgr.	\$11,000
Chgo. Marine Supv.	\$10,000	NY St. Fire Rating Spec.	\$15,000	East Asst. Cas. Clms. Mgr.	\$15,000

Hundreds of other listings, all levels, all areas, executive to junior categories—Casualty-Fire-Life-A&H. Confidential handling guaranteed. For our brochure "HOW WE OPERATE" fill in and mail the coupon below.

PLEASE SEND ME YOUR BROCHURE  
"HOW WE OPERATE"

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INSURANCE PERSONNEL EXCLUSIVELY

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Harrison 7-9040

Chicago 6, Ill.

## Faulkner Questions Motive Behind AHA's Refusal To Confer With Private Insurers

The recent statement of a representative of American Hospital Assn. at the meeting of American Medical Assn.'s house of delegates to the effect that AHA would not sit down at the same table with private insurance companies for a conference on compulsory health insurance "raises serious questions of motivation," E. J. Faulkner said last week at the annual

meeting of American Assn. of University Teachers of Insurance in St. Louis.

The statement in question was instrumental at least in causing AMA to back what Mr. Faulkner in his speech at the AAUTI meeting called "a chosen instrument policy" in the physicians fight against federal intrusion into the health insurance business for the age 65-plus market. The AMA delegation

adopted a resolution "to assume immediately the leadership" in consolidating its efforts with those of the national Blue Cross and Blue Shield organizations and AHA "into maximum development of the voluntary non-profit prepayment concept to provide health care for the American people."

### Allergy To Competition

Mr. Faulkner said, "In a business characterized by its genius for coupling fierce competition for public patronage with cooperation among competitors

in matters where cooperation is salutary and wholesome, it is disconcerting that one type of insurer has recently developed a seemingly intense allergy to competition."

Mr. Faulkner went on to describe the AHA representative's stated reluctance, and presumably the reluctance of AHA-sponsored Blue Cross to accept a proposal to participate in a congress of all elements of the private health care complex designed to find ways of better serving the public.

"The bald statement that 'We will not sit down with them. We do not believe in commercial health insurance,' raises serious questions of motivation," Mr. Faulkner declared.

### More Broad-Gauged View

He said he hoped that the statement is not broadly representative of the fine voluntary general hospitals, "many of whom derive a significantly greater share of their revenues, directly or indirectly, from the insurance companies than they do from the service plans. I cannot but believe that in the councils of the hospitals and among the leaders of the service plans a more broad-gauge view will prevail."

As for AMA backing a "chosen instrument," Mr. Faulkner stated, "I believe that there will be recognition that a chosen instrument policy in the financing of health care costs can only lead to nationalization of the insurance function and socialization of the hospitals and the practice of medicine. Competition among all types of private health insurers has given the business its strength and vitality."

### Conrad Is Denver Manager Of Aetna Fire, Two Retire

Patrick E. O'Rourke, Aetna Fire manager at Denver for Colorado, New Mexico and Wyoming, and W. C. Daniels, assistant manager, are retiring. New manager for the mountain states territory will be W. F. Conrad, who has been assistant manager. Mr. Conrad has also been an underwriter in the western department and casualty superintendent at Detroit.

Jay Weeks is the new president of Independence, Mo., Assn. of Insurance Agents, succeeding Ralph Freeman. William Harrington is vice-president, and Mrs. Mary L. Moyer is secretary-treasurer.

Clayton Automatic Sprinkler Co. has been formed in Chicago with Guy V. Clayton as president and James D. Curry, chief engineer. The company is the Chicago licensee of Reliable Automatic Sprinkler Devices.



## SUCCESS SPELLS Security

...and Security-Connecticut spells success

As a man with family responsibilities of your own, you know that *Security* is one of the most rewarding by-products of success in business.

And the reverse is true — in *your* business, *Security* stands for success: *Security-Connecticut*. You know that *Security* is the one multiple-line company pledged to the American Agency system — offering to agents contingent-commission and profit-sharing contracts for qualifying business, policies priced to meet direct writer competition, *shaped* to sell with modern features like monthly payments and deviated policies.

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## Employers Liability In 75th U. S. Year

Employers Liability is marking its 75th year in the U.S. The first office of the company was a single room located in a building on State Street in Boston. Continued growth and expansion necessitated several changes of location until, in 1926, the company built a 13-story home office building at 110 Milk Street.

Employers Liability, the original company in the group, issued what is believed to be the first liability policy written in the U.S. in October, 1886. During the 1920s two new member companies were formed—Employers Fire and American Employers—to provide through one group facilities for full property and casualty coverages.

Halifax of Massachusetts joined the group in 1954 and in 1957 Employers Surplus Lines Ins. Co. was formed to meet specialized insurance needs. In 1958, cognizant of the trend toward one stop agency service, the group founded Employers Life of America.

The group is continuing to grow through the merger of Northern of

London and Employers Liability. The U.S. branch of Northern and its associated company, American Marine & General, recently merged with Halifax under the name Northern Assurance of America.

The group has an over-all agency force of 13,000 agents and brokers and maintains field offices in nearly every state in the union.

### Legislative Plans Of N. Y. State Agents

New York State Assn. of Insurance Agents will devote its major legislative effort in 1961 to repassage of the "freedom of contract" law, which expires next spring. This is the measure that requires consideration to be given to commissions paid in the period on which rate changes are based.

(The insurance department is analyzing the legal aspects of the measure and determining the mathematical effects by applying the measure to rate changes approved in recent times. The joint legislative committee on insurance rates and regulation is expected to conduct a hearing on the law some time early in the year and make recommendations to the legislature as to whether or not the bill should be renewed for another year.)

### Wants Section 129 Extended

The agents' association also wants to get section 129 of the insurance law, which permits brokers to charge a fee above the commission for special services, extended to agents. The amount of the fee for brokers has to be specified in a written authorization from insured.

Banks and other lending institutions presently are prohibited from requiring insurance from a specified producer. But this limitation does not apply to mortgage servicing organizations—the agents want it extended to such firms, which service mortgages for lenders. Agents also want the prohibition against savings and loan associations from specifying insurer and producer extended to other lending institutions.

The premium finance law passed by the 1960 legislature prohibits payment of a fee by a premium finance agency to an agent or broker for placing insured's finance business with such an agency. Agents want this prohibition applied to automobile dealers.

### Ferguson, Hubinger To Ohio, Minn., Field Posts

National Fire has appointed Donald G. Ferguson state agent at Toledo for northwestern Ohio and J. M. Hubinger state agent at Minneapolis for Minnesota. Mr. Ferguson went with the company last April. Mr. Hubinger joined Michigan Inspection Bureau in 1950, and in 1956, he became special agent in Minnesota for National Fire.

### Agency Accountants Elect

Assn. of Agency Accountants of New York City has elected S. Raymond Engel, Jaffe agency, president. He succeeds Frank Simms of Appleton & Cox.

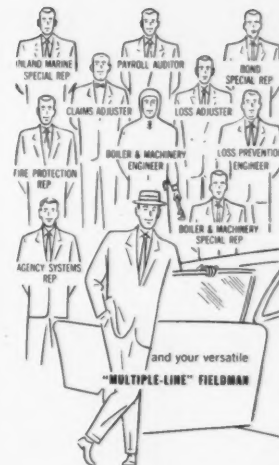
Thomas E. Beatty, Corroon & Reynolds, was elected vice-president; Anthony Maltese, David C. White agency, treasurer; and Tad R. Ullman, National Cash Register, secretary.

The association plans an educational program for the coming year.



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## Educator Buckley Retires After 41 Year Career At America Fore Loyalty

Thomas W. Buckley, education director of America Fore Loyalty group, is retiring after 41 years with the organization. He was honored at a dinner party in New York at which he received gifts including shares of stock.

He began with that company at the home office in 1919, and was appointed special agent in upper Manhattan and the Bronx in 1923. He taught his first

class in 1928 for agents' and brokers' licenses in New York. He continued as special agent and teacher until 1953 when he was named education director.

Under his direction, the department was expanded to include not only agents' and brokers' classes but also programs for company trainees and semi-annual courses for agents in property and casualty for agents.

**First of Georgia Fire & Casualty Co.,** Augusta, is changing its name to First of Georgia Ins. Co.

## Georgia Court Refuses To Extend Concept Of Contractual Liability

Georgia court of appeals, in Aetna Casualty vs Starrett, 10 CCH (Fire & Casualty) 564, held that the usual exclusion in a liability policy of liability assumed by contract does not apply to an incident involving the insured's negligence, for which he would have been liable without any such assumption, even though the action against the insured had been brought as a con-

tract claim, rather than as a negligence suit.

Starrett, the insured, was engaged as a sub-contractor by Hiers to install plumbing in connection with a general contract which Hiers had for construction works on the premises of John Ager. The contract between Ager and Hiers provided that Hiers assumed liability for damage to the property because of his negligence and would reimburse Ager on demand in case of any such damage. Starrett, in his sub-contract with Hiers, agreed to assume his obligation in favor of the property owner (Ager). A water pipe installed by Starrett burst during construction, causing considerable damage. Hiers sued Starrett on the contract and recovered a judgment, which Starrett sought to recover from Aetna Casualty, his liability insurer.

As a defense to payment, Aetna Casualty relied upon the exclusion of liability assumed by contract. In a unanimous opinion, written by Judge Townsend, the appeals court upheld a Fulton county civil court order overruling the insurer's defense, primarily stated that it agreed "to pay on behalf of the insured all sums which the insured shall become obligated to pay by reason of the liability imposed upon by law . . ." and did not restrict its coverage to liability based upon a tort action. The opinion pointed out that Ager could have brought a negligence suit against Starrett and the fact that, instead of this, the damage was recovered by virtue of a contract action brought by the principal contractor was merely a technicality which the court would not allow to stand in the way of coverage. The court relied upon U.S.F.&G., vs Virginia Engineering Co. 213 Fed. (2nd) 109, which is well established authority for the position that the exclusion of liability assumed by contract refers only to liability which the insured would not have had but for the contract.

The exclusion of liability for damage to property in the care, custody or control of the insured apparently was not raised in this case.

## Kinnett-Edwards-Boyd Names Jones At Tampa

Kinnett - Edwards - Boyd general agency of Atlanta has appointed Robert C. Jones special representative at Tampa. He succeeds Ballard M. Beine who has been transferred to Atlanta as agency secretary.

Mr. Jones was previously Tampa special agent of J. H. Norton general agency of Jacksonville.

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## Selling Stressed For Aetna Casualty Grads

The future has never been brighter for the agent who adapts to the demands of today's market, Leslie P. Von Eberstein, Royal Oak, Mich., agent told graduates of the Aetna Casualty sales course in Hartford. Mr. Von Eberstein, who completed the course in 1947, is president of Royal Oak Assn. of Insurance Agents.



L. P. Von Eberstein

He said that modern package coverages and new survey techniques for individual and commercial lines are effective weapons to combat direct writers. However, he emphasized that the agent must look upon sales and production as his number one mission and must pursue it with skill and enthusiasm.

The graduating class was led by Russell M. Caughron of Louisville. Blue ribbons for high scholastic standing were awarded to Everett J. Raabe of Cleveland, Dwight W. Black of Washington, D. C., John D. Haas of Norristown, Pa.; Robert E. Snell of Mason, O.; and John P. Everhart of Fort Lauderdale. Gold ribbons for outstanding soliciting techniques were won by Mr. Raabe, Roger Erickson of Detroit and Gordon T. McEachron of Apple Valley, Cal.

## Michels Retiring

Theodore W. Michels, vice-president Maryland Casualty in charge of west coast operations, retired for reasons of health Dec. 31. He had been with the company 35 years. In 1934 he was appointed manager at Los Angeles and in 1946 was named vice-president there.

In 1953 he was placed in charge of all operations in territories covered by branches in Los Angeles, San Francisco, Portland and Phoenix. In 1958 he was elected a vice-president.

## Hearing Set For Rochester Blue Cross Rate Increase

Superintendent Thacher of New York has called a public hearing, Jan. 10, on the application of Rochester Hospital Service (Blue Cross) for subscriber rate increases on standard contracts in amounts ranging from 80 cents to \$2.10 a month.

The hearing, beginning at 9:30 a.m., will be held at the Monroe County

Academy of Medicine in Rochester. Samuel C. Cantor, first deputy superintendent, will preside.

The rate application includes a request for approval of several proposed expansions of subscriber benefits, various riders to standard contracts and rate increases on the Rochester plan's "economizer" contract ranging from 8 cents to 20 cents a month.

Seeking to have the application approved, effective April 1, the plan has advised the department, "Despite the fact that we have not begun to show consistent losses, higher per diem hospital costs plus the historical upswing in utilization which will commence in January requires that we request a revision of our rate structure."

## Three New Assistant V-Ps At Alexander & Co. Agency

Three new assistant vice-presidents have been named at the Alexander & Co. agency of Chicago. They are Harvard O. Claussen, who is in charge of casualty underwriting; Louis E. Friend, in charge of producer management, and James R. Hersey, in charge of property underwriting.

## Holds Leaking Roof To Be 'Accident'

A close question of what constitutes "accident" within the meaning of a liability policy—leakage of rain during the process of roofing—was decided in favor of coverage by Alabama supreme court in *Employers of Alabama vs Alabama Roofing & Siding Co.*, 10 CCH (Fire & Casualty) 562. This was the first decision on that point in Alabama, but there have been conflicting decisions in other states.

Alabama Roofing had completed about half the work on a project—and it was agreed that the work had been done satisfactorily and without negligence—before work was stopped at the end of afternoon. After work ceased and before it could be resumed the next morning, rain fell, with water seeping through the incomplete portion of the roof, damaging the building and its contents. Employers denied coverage on the ground that the damage was not "caused by accident."

The state supreme court, affirming a judgment of Jefferson County circuit court, relied heavily upon the New York case of *Rex Roofing Co. vs*

Lumber Mutual Casualty, 116 N. Y. Sup. (2nd) 876, which held for coverage under almost identical circumstances, although *Midland Construction Co. vs U. S. Casualty*, 8 CCH (Fire & Casualty) 436, which is not mentioned in the opinion, held otherwise. The court, however, relied primarily upon the Alabama case of *Employers of Alabama vs Rives*, 87 Sou. (2nd) 653, in which it had held that failure of an employee of a contractor who was installing pumps at a filling station to tighten a connecting nut—with resultant leakage of gasoline into a well—constituted an "accident." It held that this case is authority for the position that human negligence does not take an incident out of the "accident" class and that the same reasoning should apply to the roofing case.

Two long established agencies in Memphis will be merged on Jan. 1 when J. B. Maize & Co. acquires Edmondson & Streuli. William Streuli of the latter agency is retiring. J. B. Maize Jr. heads the Maize & Co. agency. Fred M. Bennett is manager of the insurance department.

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That Rome's homes would soon number zero.

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But for Nero 'twas mostly a bore.  
He turned a deaf ear  
And fiddled with cheer  
Until flames lit the toga he wore!

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## Conventions

- Jan. 9, International Federation of Commercial Travelers Insurance Organizations, midyear, Edgewater Beach Hotel, Chicago.
- Jan. 13-15, National Assn. of Claimants' Compensation Attorneys' Bar Assn., midyear, Arizona Biltmore Hotel, Phoenix.
- Jan. 14, Southeastern Region of National Assn. of Independent Insurance Adjusters, annual, Dinkler-Plaza Hotel, Atlanta.
- Feb. 9-10, Conference of Mutual Casualty Companies, fire conference, Conrad Hilton Hotel, Chicago.
- Feb. 13-15, Health Insurance Assn., group insurance forum, Biltmore Hotel, New York City.
- Feb. 22-24, Michigan agents, midyear, Statler-Hilton Hotel, Detroit.
- March 9-11, Tri-State mutual agents of Pennsylvania, Maryland & Delaware, annual, Penn Harris Hotel, Harrisburg.
- March 12-15, National Assn. of Mutual Insurance Agents & Texas mutual agents, combined midyear, Shamrock-Hilton Hotel, Houston.
- March 13, Rhode Island agents, midyear, Sheraton-Biltmore Hotel, Providence.
- March 14, New Jersey agents, midyear, Cherry Hill Inn, Haddonfield.
- March 14, Pittsburgh I-Day, Hilton Hotel.
- March 17-18, Mississippi mutual agents, annual, Edgewater Gulf Hotel, Edgewater Park.
- March 23-24, Conference of Mutual Casualty Companies, underwriting conference, Conrad Hilton Hotel, Chicago.
- April 5-7, Pacific Coast Advisory Assn., annual, Biltmore Hotel, Santa Barbara, Cal.
- April 9-13, National Assn. of Surety Bond Producers, annual, St. Francis Hotel, San Francisco.
- April 16-18, Eastern Agents Conference, annual, Sheraton Hotel, Philadelphia.
- April 17-18, Iowa mutual agents, annual, Savery Hotel, Des Moines.
- April 17-18, Ohio mutual agents, annual, Neil House Hotel, Columbus.
- April 17-19, National Assn. of Insurance Agents, midyear, Philadelphia.
- April 20-21, Southern Claims Conference, annual, Dinkler-Plaza Hotel, Atlanta, Ga.
- April 23-27, American Assn. of Managing General Agents, annual, Camelback Inn, Phoenix.
- April 27-28, National Assn. of Casualty & Surety Agents, midyear, Sheraton-Belvedere Hotel, Baltimore.
- May 3-5, Casualty Actuarial Society, midyear, Concord Hotel, Kiamasha Lake, N. Y.
- May 4-5, Conference of Mutual Casualty Companies, claim conference, Conrad Hilton Hotel, Chicago.
- May 7-9, Alabama agents, annual, Russell-Erskine Hotel, Huntsville.
- May 7-9, Virginia & D. C. mutual agents, annual, Williamsburg Inn, Williamsburg.
- May 7-10, New York State agents, annual, Syracuse Hotel, Syracuse.
- May 8-10, Health Insurance Assn., annual, Biltmore Hotel, New York City.
- May 9, Assn. of Casualty & Surety Companies, annual, Waldorf-Astoria, New York City.
- May 12-13, Mountain States mutual agents, annual, Harvest House, Boulder, Colo.
- May 12-13, Oklahoma agents, annual, Biltmore Hotel, Oklahoma City.
- May 14-16, Iowa agents, annual, Savery Hotel, Des Moines.
- May 14-16, Pennsylvania agents, annual, Bedford Springs Hotel, Bedford.
- May 14-17, Insurance Accounting & Statistical Assn., annual, Biltmore Hotel, Los Angeles.
- May 17, National Assn. of Independent Adjusters, annual, Sheraton Towers Hotel, Chicago.
- May 18-19, Arkansas Agents, annual, Arlington Hotel, Hot Springs.
- May 18-20, Texas agents, annual, Galveston.
- May 21-23, Tennessee mutual agents, annual, Riverside Hotel, Gatlinburg.
- May 22, National Assn. of Mutual Casualty Companies, annual, Edgewater Beach Hotel, Chicago.
- May 22-24, American Mutual Insurance Alliance, Edgewater Beach Hotel, Chicago.
- May 25, National Board of Fire Underwriters, annual, Commodore Hotel, New York City.
- June 4-9, National Assn. of Insurance Commissioners, annual, Bellevue Stratford Hotel, Philadelphia.
- June 12-14, International Assn. of A. & H. Underwriters, annual, Waldorf Astoria Hotel, New York City.
- June 15-16, Wisconsin mutual agents, annual, Schwartz Hotel, Elkhart Lake.
- June 15-17, Georgia agents, annual, General Oglethorpe Hotel, Savannah.
- June 15-17, Mississippi agents, annual, Edgewater Gulf Hotel, Edgewater Park.
- June 18-21, Conference of Mutual Casualty Companies, management conference, Hershey Hotel, Hershey, Pa.
- June 26-28, Virginia agents, annual, The Homestead, Hot Springs.
- June 29-July 1, Florida agents, annual, Fontainebleau Hotel, Miami Beach.
- July 4-6, International Assn. of Insurance Counsel, annual, Queen Elizabeth Hotel, Montreal, Canada.

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## General Adjustment Makes 8 Changes

General Adjustment Bureau has made several changes in regional and branch office supervision:

Hall Lippincott, Detroit regional manager since 1956, becomes general adjuster at the Chicago regional office. He is succeeded at Detroit by Don D. Alexander, manager Cleveland east side office since 1958. William E. Dillon and George M. Balow Jr. have been appointed managers at Lombard and Evanston (Ill.), respectively.

Donald L. Wolfe, manager at Warren, O., since 1959, succeeds Mr. Alexander at Cleveland.

Paul C. Foster, regional manager at Wichita, Kan., has been named general adjuster of the Pacific coast department office at Denver. He is succeeded at Wichita by Paul Langford, manager at Lexington, Ky., since 1955.

Vern D. Davies, regional general adjuster at Detroit since early 1960, becomes district manager at Saginaw, Mich., and will also supervise the territory serviced by the Bay City, Lansing, Flint and Owosso offices.

Mr. Lippincott started with Western Adjustment at Chicago in 1938, going to Detroit in 1939 where he became general adjuster in 1950, assistant manager in 1952 and manager a year later. Mr. Alexander began with Western Adjustment in 1951 at Toledo and was resident adjuster at Sandusky, Piqua and Cleveland. Messrs. Dillon and Balow began with Western Adjustment at Chicago in 1951 and 1949, respectively, and have served in that area since.

Mr. Wolfe joined Western Adjustment in 1950 at Canton, O., and was appointed resident adjuster at New Philadelphia, O., in 1955. Mr. Foster began with GAB in 1941 at Kansas City, subsequently becoming resident adjuster at Emporia, Kan., and manager at Topeka in 1948. Mr. Langford joined the organization at Joplin, Mo., in 1947, remaining in that post until his Kentucky appointment.

Mr. Davies joined Western Adjustment at Chicago in 1945 and later was at South Bend and Indianapolis, becoming general adjuster in the latter city in 1955. He was named manager at Dearborn, Mich., in 1958.

## Study State Cover In Vt.

Vermont has appointed a committee to review problems of insuring state property. One member of the committee is Deputy Albert Pingree of the insurance department. At the request of the committee, a committee of Vermont Assn. of Insurance Agents met with the unit to discuss the problems.

The state committee indicated the possibility that it would recommend a new position in the department of administration to handle all state insurance. It also may recommend changes in fire coverage to include a

deductible, perhaps of \$50,000, and extension of workmen's compensation coverage to all departments.

Agents strongly recommended that the state set up a program of risk management. They believe the state will continue its present policy of competitive bidding, under which exclusive agent companies have obtained most of the business.

## Amer. Home Agency, Ill., Moves To Handle Marine

American Home agency of Illinois has moved from Room A-1546 of the Insurance Exchange Building, Chicago, to Room A-1242 there. The move was necessitated to accommodate the inclusion of an inland marine department. Paul F. Capps, who has managed this line for American Home Assurance, will continue in the same capacity with the agency. The fire operation of the agency continues under the direction of George R. Tessmer, agency manager.

American Home Assurance continues to maintain a service office, now in Room 1064 Insurance Exchange Building, under the supervision of John Semple, special agent.

## Manual Charges Effect Given

(CONTINUED FROM PAGE 1)

jurisdiction over professional liability for physicians, surgeons and dentists and miscellaneous medical. Here National Bureau will furnish manuals at \$1.103 per \$1,000 of premiums developed by the company for these lines alone in the jurisdictions where it writes such business. The manual printing and distribution charges apply in addition.

The Massachusetts auto BI and Texas auto casualty manuals are not printed and distributed by National Bureau and are not affected by the new assessment procedure. However, the Massachusetts auto PDL manual does come under the new procedure. Mutual Bureau anticipates that an arrangement will be developed under which Mutual Bureau will assume responsibility for distributing the Massachusetts book to its members and subscribers.

The separate Louisiana auto casualty manual, printed by National Bureau, presently is distributed by Mutual Bureau to its companies. In addition,

Mutual Bureau publishes for Louisiana rate and exception pages for use with its countrywide auto casualty manual. Consequently, it will not be necessary for Mutual Bureau companies to obtain the National Bureau manuals for that state.

## Burglary And Glass

Rules and rates of the burglary and glass manuals generally are the same for both bureaus. However, National Bureau prints and distributes them to all companies. Mutual Bureau companies accordingly will get the manuals from National Bureau at \$1.31 per \$1,000 of premium for burglary, and \$1.888 per \$1,000 for glass, plus the printing and distribution charge. Mutual Bureau does not have jurisdiction over boiler and machinery, and its companies will get that manual from National Bureau at \$1.48 per \$1,000, plus P&D.

Mutual Bureau notes that the new assessment program does not extend to miscellaneous supplementary material of National Bureau, such as the elevator interlocking devices pamphlet, the OL&T territory directories, etc. The charge for the auto liability manual is 93.4 cents per \$1,000 and for general liability \$1.103.



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ASSOCIATES IN OTHER STATES

## Insurance Teachers Elect Gregg President

(CONTINUED FROM PAGE 1)

itself, not only is it possible that much of value in the curriculum will be discarded and lost, but often the effect on the faculty is disastrous."

Stressing that he was not opposed to change, the speaker said he did believe that it was essential to the survival of education for business at the college level and of insurance as a significant part of such education.

Change, Mr. Hedges pointed out,

should be based on the objectives and the goals of education for business—and the means by which these goals are to be attained. Such goals, he said, are to prepare students for (1) the intelligent exercise of management responsibilities, and, in some instances, (2) the carrying on of specialized business activities.

In discussing the means by which such goals may be attained, Mr. Hedges said that for many years a great deal

of the subject matter taught in the business administration curriculum was almost purely description. This was true even of the functional areas of production, marketing and finance, the "so-called core."

But in the last decade, more or less, certain significant changes have occurred, he said. The field of management theory has assumed greater importance, bringing with it a new action-orientation and an emphasis on quantitative decision-making. More recently, greater attention has been paid to the behavioral sciences, with the goal of a better understanding of the human factor in business.

Mr. Hedges said it was imperative that insurance teachers improve their ability to contribute to the primary objective of education for business management. Perhaps even more importantly, it will be necessary to make a convincing case for the essential character of insurance education.

The speaker admitted that insurance teachers are at a serious disadvantage in reaching large numbers of students as compared with those fields contributing directly to the core work, both from the standpoint of the "captive" market offered by the required courses and from the standpoint of majors recruited from those courses.

### Suggests Introductory Course

As to what steps should be taken to improve the "competitive" position of insurance teachers, Mr. Hedges suggested an introductory course of perhaps only a single semester. Such a course would identify and differentiate between the two types of risks—those deliberately assumed as a part of the price to be paid for the opportunity to seek a profit through business enterprise, and those inevitably encountered as a result of owning property and conducting business operations; concentrating on the latter, students would outline in some detail the possible methods of handling, applying traditional utility theory plus techniques adapted from statistics, mathematics, game theory, engineering, behavioral science and law; they would also analyze risk to determine the most effective methods to be employed in particular situations; examine the insurance principles, practices and coverages applicable to those risks lending themselves to treatment by the insurance method. Student involvement would be secured by applying a problem-solving or decision-making approach to selected problems or cases simulating actual business situations.

Mr. Hedges concluded by saying that the approach he had suggested might very well result in the emergence of a new and revitalized discipline of insur-

## Peterson, Adam Are Raised In Move By Worcester Mutual

Clifford A. Peterson has been named vice-president of Worcester Mutual Fire, and John Adam Jr. vice-president of the affiliated Guarantee Mutual.

Sales forces of the two companies are being coordinated on March 1, 1961. As soon as possible, both companies will be licensed in the same states, and the field forces will provide service for agents of both companies. Worcester Mutual Fire will continue to operate on its present dividend basis and the Guarantee Mutual on its deviating plan.

## Outgoing Ind. Governor To Seek More Funds For Insurance Department

Gov. Handley of Indiana has stated he will ask the legislature for additional funds for the insurance department.

"We've allowed the insurance department to drift for 30 years and they're just swamped with work," he said.

The appeal for more money will come in Gov. Handley's farewell address to the general assembly Jan. 6.

ance, closely integrated with both economic theory and the emerging science of business administration; in addition, it would be something unique in itself in the principles and practices to be employed in dealing with risk.

At the luncheon Thursday, Walter G. Dithmer, midwest regional director Insurance Information Institute, spoke on the purposes and functions of his organization.

It was noted at one session that applicants for fellowship, scholarships, and teaching or research assistants, with financial assistance up to \$3,000 and remission of non-resident tuition, are being solicited by University of Wisconsin for its curriculum in risk, insurance, and actuarial science. Grants for financing the program come from 13 insurance companies and associations.

The school offers one and two year programs leading to a masters of business administration, or a master of science in actuarial science, and a doctor of philosophy in commerce for those preparing for teaching or research in risk, insurance, or actuarial science.

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# 1960 Closing Bids On 123 Insurance Stocks

(CONTINUED FROM PAGE 1)			
Company	12/31/59	6/30/60	12/30/60
Corroon & Reynolds	14 1/4	14 1/4	15
Crown Life, Can.	167	195	225
Crum & Forster	68	64	72
Empl. Grp. Assocs.	36	40	39 1/2
Employers Reins.	53	51	61 1/2
Farmers Unds.	35	35	42
Federal	53 1/2	50 1/2	57 1/2
Fidelity & Deposit	50	46 1/2	48 1/2
Fireman's Fund	51 1/4	56	53 1/2
Franklin Life	77	67	76 1/2
General Amer. Corp.	170	146	157
General Reins.	91	99	121
Globe Falls	34	35 1/2	39 1/4
Globe & Rep.	20 1/2	19 1/4	21 1/2
Govt. Employees	88	78	89
Govt. Employees Life	59 1/2	58	64 1/2
Great American	43	43 1/2	49 1/2
Gr. Am. Life Und.	680	640	770
Great Southern Life	83	68	63
Great-West Life	344	345	395
Gulf Ins.	40	37	36 1/2
Gulf Life	20 1/2	18 1/2	18 1/2
Hanover	39 1/2	42 1/2	42 1/2
Hartford Fire	50 1/2	48 1/4	57 1/4
Hart. Steam Boiler	86 1/2	75	91
Home	53	54 1/2	63
Imperial Life, Can.	74	80	90 1/2
Ins. Co. of No. Am.	65	64	77
Interstate F. & C.	15 1/4	12 1/4	14 1/2
Jeff. Standard Life	48 1/2	38 1/2	42
Jersey	35	31 1/2	34
K. C. F. & M.	25	28 1/2	35 1/2
K. C. Life	1420	1220	1340
Lamar Life	33	33	33
Liberty Natl. Life	62 1/2	56 1/4	58 1/2
Life Companies	22	16 3/4	13 1/2
Life & Cas.	50	50 1/2	56 1/2
Life of Va.	245	237	230
Lincoln Natl. Life	36 1/4	35 1/2	36 1/2
Maryland Cas.	36 1/4	41	39
Mass. Bonding	39 1/2	40	39 3/4
Mass. Indemnity	66	71	69
Mass. Protective	30 3/4	31	35
Merchants Fire	13 1/4	12 1/4	14
Merch. & Mfrs.	36	35 1/2	37 1/2
Midwest United	57	52	58 1/2
Monumental Life	142	142	123
Natl. Fire	115	98	114 1/2
Natl. Life & Acc.	15 1/2	15 1/2	15 1/2
Natl. Old Line	158	155	148
National Reserve	36 3/4	35 1/4	40 1/2
National Union	37 3/4	32 1/2	28 1/4
Nationwide Corp.	48 1/4	50 1/4	62
New Amst. Cas.	51	52	52
New Hampshire	12	12	12 1/2
Northeastern	14	13 1/4	14 3/4
No. Am. Life	41 1/2	39 3/4	41 1/2
Northern of N. Y.	136	136	130
Northern Life	98	93	88
N. W. Natl.	97	93	90
N. W. Natl. Life	28 1/2	23 1/2	24
Ohio Cas.	72	60	60
Old Line Life	15 1/4	19	18 1/2
Old Republic Life	14	15 1/4	14 3/4
Old Republic Ins.	58	55	55
Pacific of N. Y.	21 1/2	25	33
Pacific Indem.	22	21 1/4	22 1/4
Peerless	43 1/2	49 1/2	55
Philadelphia Life	82 1/2	78	83
Phoenix of Hartford	99	81	81
Prov. Life & Acc.	20 1/2	20 1/2	18 1/2
Prov. Wash.	46 1/4	40 1/4	44
Quaker City Life	19	21 1/2	21 1/2
Reinsurance Corp.	49	53 1/4	57 1/2
Reliance			

Company	12/31/59	6/30/60	12/30/60
Republic, Dallas	60 1/2	55	58
Republic Natl. Life	33	35 1/4	33 1/2
St. Paul F. & M.	60 1/2	56 1/2	61
Seaboard Surety	43	33	39
Security	42	51 1/2	55 1/2
Southland Life	98	88	88
Southwestern Life	60	52	53
Springfield F. & M.	30 1/2	32 1/2	34 1/2
Standard Acc.	58 1/2	49 1/4	47 1/2
Standard Life	60	50	49 1/2
Travelers	85 1/4	83 1/2	93
United, Chicago	33 1/2	35 1/4	32
United Services Life	49	46	60
U. S. F. & G.	35	40 1/2	41 1/4
U. S. Fire	28 1/2	29 1/4	30 1/2
U. S. Life	43 1/2	39 1/2	42 1/2
Var. Annuity Life			8 1/4
Wash. Natl.	56 1/2	46 1/2	45
Wis. Natl. Life	40 1/2	31	28 1/2
Westchester	29 1/4	29 1/4	33 1/2
Western Cas.	39 1/2	39 1/2	42
West Coast Life	31 1/4	31	31
* Offering price			

## Atkinson Retires

George S. Atkinson, vice-president and secretary Hartford Fire, has retired after 41 years.

After four years as supervisor of inspections with Factory Insurance Assn., Mr. Atkinson joined Hartford Fire in 1919 in the special risk department. In 1929 he was named superintendent of that unit. Mr. Atkinson also was in charge of the automobile and inland marine departments of the eastern department for several years and since 1952 has been head of the ocean marine department.

He was elected assistant secretary in 1935, secretary in 1941, assistant vice-president in 1950 and vice-president and secretary in 1953.

## Two Are Promoted

American Mutual Liability has elected H. B. O'Connor a vice-president and Stuart M. Hughes an assistant vice-president.

Mr. O'Connor was with Hardware Mutuals at Stevens Point 21 years before joining American Mutual last November to direct the activities of a newly established planning department.

Mr. Hughes joined American Mutual in 1947 as an underwriter and has been at Boston, Atlanta, and Lexington. Presently he is manager of the administration department and acting general manager of the southern division offices.

## Hester Heads New Atlanta Branch Of Houston Group

Houston group has opened an office at Atlanta under Douglas A. Hester. The office will service Alabama, Georgia, Florida, South Carolina and Tennessee.

## N. Y. Agents Give Views On Regulation, Rate Laws

New York State Assn. of Insurance Agents has adopted a set of principles on rate regulation, President Robert B. Douglass of Potsdam told the Utica association in a talk there.

It is essential that agents be heard on the question of rate regulation because they represent the insurance buying public. Agents favor strengthening rather than weakening the regulatory laws, Mr. Douglass said. They favor reasonable competition but are opposed to unregulated competition.

Also, the agents oppose any system of regulation which applies a double standard of compliance with statutory tests for rate filings. He said agents want thorough support of rates. To accomplish this, rating laws should be amended to provide standard tests for rates applicable to all insurers. Companies filing individually should be required to submit complete statistical

data in support of rates.

Another principle advocated by the New York group is "just compensation" for services agents provide. They oppose policy variations offered solely for competitive reasons. The time has come, Mr. Douglass said, for companies and departments to distinguish between desirable initiative and speculative price cutting.

## Harlan Transferred

American has transferred J. Fred Harlan, administrative assistant, from

Milwaukee to Philadelphia where he will assist James R. Hughes, vice-president in general administration and production.

Mr. Harlan joined American in 1939 at Kansas City. In 1949 he went with an agency in the midwest and spent three years in production activities before rejoining the company in 1952 as an underwriting supervisor at Minneapolis. In 1953 he was transferred to Milwaukee as agency supervisor and in 1955 he was promoted to administrative assistant there.

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## Editorial Comment

### How To Make Reading Research

The Wall Street Journal recently discussed the growing activity of some corporations in assigning research men to study scientific and technical papers, of which there are a great many published here and abroad, for new methods and procedures. This is suggestive for the insurance business—company management and agency operation.

One of the basic problems of communication, the foundation of all learning, is not that the matter doesn't get spoken, written, and published, but that it doesn't get listened to or read, even by those who can use it to make decisions. There is such a vast amount of material, even in a single field such as insurance, that the agent or company executive who has to do a lot of work doesn't always have the time to read, let alone study and follow up, items of information that may be quite useful and even essential to the welfare of his economic enterprise.

One method that helps is to scan read to find those items that are of genuine interest and significance to the reader and that warrant full read-

ing and perhaps further inquiry. This approach vastly increases the ground which the individual executive can cover. Another practice is for the business man to let others watching the same areas of subject matter know of his interest. The executive's eyes can be multiplied many times in this way. A third way is to have an assistant, perhaps several if there are that many, read publications and watch areas which the executive does not have time to get to. With a little thought, he can set down a description of his interests in such a way as to elicit from an intelligent person quite adequate "research" of this kind. He can readily supply a list of publications, or sources (court cases might be an example) where material of vital interest may turn up.

Many readers do some or all of these things; many do not. The ones who do tend to make the soundest decisions. If the cost or bother should appear a stumbling block, the ones who do this also tend to save the most money, in and out of the insurance business.—K.O.F.

### Some Reasons For Settling Claims

The settlement of claims whether insured is negligent or not is coming under closer scrutiny by insured, who may "earn" a discredit in his auto rate, or go into an assigned risk plan, as the result. With homeowners now merit rated by some companies, the settlement of claims under the comprehensive personal liability cover may become subject to the same criticism. Some legislators are eyeing the settlement practice, which came to their attention while looking into complaints of auto liability policy cancellations, surcharges, and assignments.

Why do companies settle claims which ought to be resisted? At times it saves a lot of bother.

But another reason is that some companies believe there is management virtue in holding down the number of claims outstanding. This tends

to be true particularly with insurers that before multiple line were principally fire companies.

In the fire business, of course, the prompt settlement of losses is an accepted and sound practice. For the most part, the liabilities and coverage are readily determinable. Prompt closing of losses tends to save both loss and expense money. Also, there are so few questions about payment of fire losses that slow settlement and the accumulation of a large backlog of outstanding files might indicate inefficiency or even bad faith.

There may be here also a certain impatience to nail down the statistics—get cases closed so that the figures are final. This is a worthy objective in the fire business. But the objective may be absolutely contrary to sound practice in third party liability. Cer-

tainly the results of the effort to hold down the number of claims outstanding, whatever the cause, has led to the settlement of many claims in which insured definitely was not negligent. Sending out, periodically, a call to claims men to settle up and close out cases has revived many a claim that properly was dying on the vine.

For another thing, the effort of management to hold down expenses, characteristic of the business at all times and heightened from time to time by underwriting losses, stiffer competition, and other influences, tends to be indiscriminate. Too often the push is to get expenses down, no matter what the difference in quality of results. Perhaps endemically, the business, dealing so constantly and at so many points with figures, and measuring almost everything by application of the arithmetic standard, loses its ability, at least on occasion, to measure by other standards. One of the most important of those standards, quality of performance, is based on the differences between the skill and capacity of one person and another.

It is generally conceded that for many years many fire and casualty insurers have been able or willing to get and retain less (and perhaps poorer) claim talent than was needed.

The drift has been toward saving a dollar on manpower and spending two dollars on poorer results. This has extended to payment of practicing attorneys, on whom many companies rely to handle key defense work. This has added to the attraction of attorneys from the defense to the more lucrative plaintiff field.

It is not surprising that defense morale has declined somewhat in a period when the demand for quality and quantity of claim work is at its greatest—with a claim conscious public, a vast increase in accidents, and more and sharper plaintiff's lawyers. Perhaps the surprising thing is that more claims are not settled where insured in clearly not negligent.—K.O.F.

daughter of Mr. & Mrs. Robert E. Dineen of Milwaukee. Mr. Dineen is a vice-president of Northwestern Mutual Life and is a former superintendent of New York.

## Deaths

**JOHN BAGOT**, 53, vice-president Sterling Offices, died in Overlook Hospital, Summit, N. J., after a short illness. Before joining Sterling Offices he had been with Royal Exchange in reinsurance capacities.

**EDWARD W. SCHAUFFLER**, 80, who retired in 1955 as a director of Appleton & Cox and president of the Canadian affiliate, Marine Managers Ltd., died at his home in Oshawa, Ont. He joined Appleton & Cox in 1918 and after a few years in New York was transferred to Toronto where he supervised Canadian operations. He was well known both in the U. S. and Canada, particularly in the marine field.

**WALTER R. WRIGHT**, 70, Port Huron, Mich., agent for many years, died in Veterans Hospital, Battle Creek, after a long illness.

**ROBERT W. MASTERSON**, 66, who retired five years ago as suburban New York state agent of Royal-Globe group, died of a heart attack at his home in Pleasantville, N. Y.

**JOHN L. WILLIAMS**, 81, partner with his son in the Williams agency, New Castle, Ky., died at Mallory Taylor Hospital, LaGrange, Ky. He was also a former executive vice-president, cashier and director of Citizens Bank of New Castle for 28 years.

**FRANK R. YOUNG**, 81, partner in the Young & Turner agency of Chicago, died. He had been in insurance 52 years, 30 of them with the Young & Turner. Before that he was with the Childs, Young & Wood agency of Chicago.

**CARROLL R. BELDEN**, 72, of the Jaggard & Belden agency of Seaside Ore., died of a heart attack.

**F. C. FOSTER**, 85, director of Meridian Mutual and of Indiana Farmers Mutual, died.

**ROBERT KLINE Sr.**, 67, president of the Gardner-Kline-Hatch agency of Columbus, O., died of a heart attack at Floral City, Fla., where he had been residing.

**VERNON A. LOCKWOOD**, veteran agent at Bellingham, Wash., died of a heart attack.

**GEORGE H. LADD**, 61, an adjuster with Atlantic Mutual, died in Methodist Hospital, Brooklyn, after a long illness. Mr. Ladd, who was prominent in the Boy Scout organization in Brooklyn, had received the Silver Beaver award for distinguished service.

**DELBERT L. COOK**, a senior automobile underwriter of General Casualty of Madison, died. He had been with the company since it was organized and represented it at meetings of the independent rating bureaus with which General Casualty was associated.

**DONALD D. FITZGERALD**, 68, retired Indiana state agent of Commercial Union, died of a heart attack in the home of a friend in Indianapolis where he had gone to a dinner party. Since his retirement, Mr. Fitzgerald

## Personals

The engagement has been announced of Miss Carolyn Bareham Dineen to James D. Randall of Washington, D. C. Both are law students of Yale University. Miss Dineen is the

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had taken several temporary assignments in insurance, the most recent being with Wabash Fire & Casualty. He was active in many Indiana insurance organizations, and was past most loyal gander of Indiana Blue Goose.



J. L. Biglen

**J. L. BIGLEN**, 67, retired Pacific Coast associate manager of New York Underwriters, died. He retired in 1958 after 38 years with the company on the coast. Before that he had been with the Pacific Board, and later in his career served as president of that organization.

**C. A. NOTTINGHAM**, 80, retired deputy U. S. manager of Royal-Globe, died at his home in Haddonfield, N. J. Mr. Nottingham began his career in 1904 in Birmingham, England, with Central Ins. Co., which was later acquired by Liverpool & London & Globe. He came to the United States in 1922 as joint manager of the latter company in New York, and was elected president of Federal Union, member of Royal-Globe group. He was appointed assistant manager of Liverpool & London & Globe in 1929. When operations of the Royal and Liverpool groups were amalgamated in 1931, he became assistant U. S. manager of Royal-Globe, vice-president and director of the fire companies of the group, and director of three of the casualty companies. He was named deputy U. S. manager in 1944 of Prudential of Great Britain, a reinsurance firm organized under the guidance of Liverpool & London & Globe. In 1933 he was named U. S. manager of Skandia and in 1939 president of Hudson when the management of these companies was assumed by Royal-Globe.

Mr. Nottingham served as president of National Automobile Underwriters Assn. from 1935 to 1937 and president of New York Fire Insurance Exchange from 1945 to 1947.

## Natl. Board Report Criticizes Chicago Fire Department

National Board has criticized the Chicago fire department as being undermanned, improperly deployed, in need of equipment and having an obsolete alarm system.

The board's criticism came in the form of a preliminary report of a survey it is making at the request of the Chicago fire commissioner. The report describes the fire department as being generally good but stated that much of its personnel at times were detailed to duties other than fire-fighting, that there was a need for more fireboat companies, that proper hose tests are not conducted and that much of the hose is in questionable condition. It made 29 recommendations to remedy the deficiencies, and it generally praised the work of the fire prevention bureau.

### Daley Assails Report

The report was assailed by Mayor Daley, who countered with claims that the department had undergone extensive improvement. He charged also that fire insurance rates for the city are exorbitant and that the rate increases granted over a year ago were unjustified.

The survey which was initiated last February, emanated from the mayor's attempt to obtain a \$10 to \$16 million reduction in the city's fire rates. The city, during a protracted hearing conducted last year by the Illinois insurance department, contended that the rates during the base period 1953-57 gave the companies an underwriting profit of \$27.4 million, of 12%, and that this was in excess of what the courts allow and what the National Assn. of Insurance Commissioners recommend. It charged also that the National Board hadn't surveyed the city since 1946 and that a new survey would show that the city, with its improved fire defenses, deserved to be upgraded from class III to II.

The respondent, Cook County Inspection Bureau, replied that the profit figure was actually 1.8%—far below the permissible 6%—and that the fire commissioner had repeatedly objected to a survey until December, 1959, after the city filed its petition for rate reduction.

## Talbot Is Retiring

Herbert W. Talbot of U. S. Aviation Underwriters has retired. He has been with the firm 30 years, having joined it two years after it was organized, and for 19 years he has been agency director. He has had charge of the educational work with insurer members.

Associates honored Mr. Talbot on his retirement at a luncheon in New York.

## Koeppel Joins Phoenix, Conn., In Arizona Field

J. E. Koeppel has been named special agent, assisting State Agent Hugh P. Hipps in the supervision of Phoenix of Hartford operations in Arizona, with headquarters at Tucson. He has had field and office experience in the midwest and more recently has been in the agency business in Missouri.

**Brown Adjusting Co.** has moved its Washington, D. C., offices to 912 Thayer Avenue, Silver Spring, Md.

## Comments On The Insurance Field From The Investment Dealer's Chair

By LEVERING CARTWRIGHT

Cartwright, Valleau & Co., Board of Trade Building, Chicago

Insurance Securities Trust Fund of San Francisco finds that for the first nine months of 1960 the combined loss and expense ratio of the fire-casualty companies whose stocks it owns was 99.3. This compares with 99.2 for the same period last year. The loss ratio to premiums earned was 62.3 against 61.5 and the loss expense ratio to written was 37, as against 37.7. Net investment income was up 9.6%. By quarters in 1960 the combined loss-expense ratio was 99.5 for the first quarter, 96.8, second and 101.5, third.

Blyth & Co. prepared a tabulation of nine month results for 50 companies, graded according to composite results. Heading the list is Seaboard Surety, 81.8; then come Hartford Steam Boiler 84.7, with an improvement of 4.7 points; Fidelity & Deposit 86.3; Federal 93; Travelers Indemnity 96.5; Ohio Casualty 94.8; Pacific Indemnity 95.1; Security 95.4; General Reinsurance 95.9, Employers Reinsurance 96.

Kidder, Peabody & Co. put out a similar study. They say that the average third quarter loss ratio of the companies was 6 points greater than it would otherwise have been had it not been for Donna. For the year as a whole Donna cost about 1½ points. Kidder, Peabody thinks that a further improvement in operations is likely due to the halting of inflation, higher rates, greater selectivity and lowering expenses.

The year closed on a firm but quiet note for insurance stocks. Travelers and Aetna Life came into great favor after penetrating the barrier of the high 80s. Aetna Life reached 97½ bid, with Travelers at 93½. Lincoln National went on down to 223 after its recent runup to 225 and there met support. It closed the year at 230. St. Paul at 61 bid was a strong spot. Many of those who received their checks on tenders of New Amsterdam Casualty to the Gengras group at 64 reinvested in insurance stocks. Standard Accident was selected by many and this was at 47½ bid. NAC was regularly traded at 62 bid. Jefferson Standard Life ran up 4 points to 44 plus, and closed at 42 bid. Life Insurance Company of Virginia was strong with a bid of 56½. This was up about 3 points. There was a special offering of 5,000 shares of Federal by Blyth & Co. at 58. Kansas City Life continued strong and was 1350 bid. Hartford Fire went up to 57¾. Security of New Haven ended the year sellers, with stock offered at 55.

There were rumors of the possible acquisition of Atlantic Life by one of the most progressive life companies in the country, and the stock of Life Companies, Inc., which owns Atlantic Life, was sought after.

Franklin Life reached 80 and then backed away 3 points. Great American Life Underwriters touched 800. Wm. H. Tegtmeier & Co., Chicago, has put out a study on GALU, observing that through these shares in effect, one indirectly buys Franklin Life stock at a substantial discount. Southland Life was very strong and at 90 bid was 10 points higher than its very recent price. General American Corp. was a favorite at about 160.

Paine, Webber, Jackson & Curtis from the St. Paul office has prepared a study on North Central Company, which owns North Central Life. This stock was offered a few months ago at 7 and it is now 9¼ bid.

Variable Annuity Life, which was a target for tax selling and got as low as 8 bid, attracted bargain hunters and perked up half a point. Variable Annuity realized \$10,800,000 from its public offering of 1,000,000 shares. This means that if all the stock could be acquired at the current price one would in effect be buying this fund for \$9,000,000.

American Life Companies, Inc. of Fargo, N.D., started trading at 8 bid, offered at 8½. This owns American Life & Casualty of Fargo and a majority of the stock of Old National of Houston.

American Motorists took the novel action of declaring a 5% stock dividend. This was in lieu of the customary quarterly cash payment of 6 cents. The stock was quoted at 17 bid ex-dividend. Am. Motorists for the nine months had a combined ratio of 87.5, as against 90.8 in 1959.

## 25th Christmas Party Held By Staten Island Women

Insurance Women's Club of Staten Island held its 25th annual Christmas party in St. George. Guests of honor were six charter members and T. Morgan Williams, vice-president Home, who delivered an address at the club's first meeting in 1935.

The charter members present were Mrs. Hannah P. Alperin, current treasurer of the state federation, Miss Annette C. Cirbus, former state president, Miss Rose V. Sasso, who has served as treasurer, secretary, and director of the state unit, and Mrs. Alice Macan, Mrs. Josephine M. Palmer, and Mrs. Harriet Hannigan.

**William Peet Co.** of Minneapolis, an insurance consulting organization, is expanding its services to include consultation with agencies and insurers in evaluating their internal organizations, policy form design, employee training programs, etc.

## Demand For Sugar Cover Rises In Central America

While insurers apparently have not reached a conclusion on how to account for or discount Cuban business and reserves, a more immediate practical problem arising from the Cuban situation is the rise in demand for coverage on sugar in the Central American area and elsewhere outside Cuba.

The demand for coverage has grown sharply in recent months. Facilities are being used that were not designed for sugar storage. Underwriters are concerned over their commitments because of this as well as the large values exposed. The market for marine cover on sugar has tightened perceptibly in recent weeks.

Sugar is a commodity that is easily spoiled or destroyed. During Hurricane Donna one warehouse in an eastern port suffered a \$300,000 loss when excessively high water backed into tons of sugar.

## Stocks

By H. W. Cornelius of Bacon, Whipple & Co.  
135 S. La Salle St., Chicago, Jan. 3, 1961

	Bid	Asked
Aetna Casualty .....	94	97
Aetna Fire .....	91½	93
American Equitable .....	42	43½
American, Newark .....	27	28
American Motorists .....	17	18
Boston .....	31	32
Continental Casualty .....	87½	89
Crum & Forster .....	71	73
Federal .....	51¼	58½
Fireman's Fund .....	54	55
General Re. ....	121	125
Glens Falls .....	39	40½
Great American .....	49½	50½
Hartford Fire .....	57½	59
Hanover .....	42½	43½
Home of N.Y. ....	63	64
Ins. Co. of No. America .....	78	80
Jersey Ins. ....	33½	35
Maryland Casualty .....	36½	37½
Mass. Bonding .....	38½	40
National Fire .....	123	129
National Union .....	40	41
New Amsterdam Cas. ....	62	64
New Hampshire .....	52	54
North River .....	41½	43
Ohio Casualty .....	24	25
Phoenix, Conn. ....	83	85
Prov. Wash. ....	18½	19½
Reins. Corp. of N.Y. ....	22½	23½
Reliance .....	57½	59
St. Paul F. & M. ....	61	62½
Springfield F. & M. ....	34½	35½
Standard Accident .....	47½	48½
Travelers .....	92½	94
U. S. F. & G. ....	41½	42½
U. S. Fire .....	30½	31½

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## Traffic Death Rate At Record Low

Traffic accidents nationally during the first 11 months of 1960 caused 34,540 deaths and 1,250,000 disabling injuries, according to the National Safety Council.

The 11-month death toll of 34,540 is up 1% from the 34,150 toll for a comparable period in 1959, but a 2% increase in travel produced a record-low mileage death rate for 11 months of 1960 of 5.3.

The November traffic death toll of 3,420 was down 2% from 3,490 in November 1959 and was the lowest November toll since 1954, when 3,253 persons died. Based on a mileage death rate, November was the safest November since 1934, when the council began keeping monthly records of traffic deaths.

## Mutual Agents Of Conn. Meet Jan. 16

The annual convention of Mutual Agents Assn. of Connecticut will be held Jan. 16 at Waverly Inn, Cheshire. Peter B. Emmons of New Canaan, vice-president of the association, is convention chairman.

John F. Mulvihill of Hartford, secretary of the association, will open the meeting, followed by Robert M. Morrison, Boston insurance attorney, who will discuss the agent and his company contracts. John R. Barry, president of Corroon & Reynolds, will discuss "Facts and Figures," and George R. McKiever, Miami, president National Assn. of Mutual Insurance Agents, will discuss the need of concerted sales effort by agents, acquisition of new salesmen by agencies, and new sales know-how.

Arthur Mertz, general counsel of National Assn. of Independent Insurers, will discuss the industry program for handling the problem of the uninsured motorist as it has been developed for Connecticut.

A meet-the-press panel will have as industry representatives Mr. Barry, Mr. Mertz, John Adam Jr., president of Worcester Mutual Fire; William N. Woodland, executive vice-president of Mutual Fire Insurance Assn. of New England; George J. Schepens, manager of Connecticut Assigned Risk Plan, and Paul H. Dubuc, vice-president of Shelby Mutual.

Asking the questions will be Frank R. Pote of the Standard; Francis T. Ahearn of Insurance Information Office of Connecticut and former newspaper man; Roderick L. Geer, executive secretary of the association, and Kenneth O. Force of THE NATIONAL UNDERWRITER. Among topics scheduled for the quiz are direct billing, economy auto plans, assigned risks, ownership of expirations, the function of rating bureaus, the operation of compulsory insurance, and the future of mutual casualty companies.

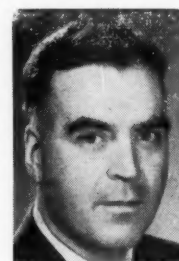
H. B. Sharer, sales training specialist of U. S. Rubber Co., will describe what makes a star salesman. The one-day convention will wind up with a social hour, banquet and entertainment. The association has grown in two years from 50 to almost 300 members.

## Robertson Is Named To Kemper Advertising Post

W. Bruce Robertson has been appointed assistant advertising manager of the Kemper companies. Since joining the organization in 1958, he has been with the advertising and business extension departments.

## Allstate Promotes Henry, Robinson

Allstate has named Joseph E. Henry, midwest zone vice-president, respon-



Joseph E. Henry

sible for national accounts and reinsurance divisions and development of foreign operations as of Feb. 1.

The two divisions have been under the direction of Senior Vice-president Henry S. Moser, recently retired. Mr. Henry will be succeeded as midwest zone vice-president by Stafford J. Robinson, west central zone vice-president.

In directing the national accounts division, Mr. Henry will oversee the company's auto and truck fleet business and group A&S life business.

Mr. Henry joined the company in 1937 and has been in charge of the midwest zone since 1951. Mr. Robinson has directed the west central zone since 1958 with offices in Kansas City, Mo. Earlier he was manager of regional offices in Illinois and Rochester. He has been with Allstate more than 15 years.

## Mutual Of Omaha Appoints Three V-Ps, One Counsel

Mutual Benefit H.&A. has promoted Charles C. Rose from 2nd vice-president of the benefits division to



Richard Ellis

vice-president of benefits administration. He succeeds Vice-president Howard LeClair, who becomes associate general counsel.

Roger L. McGargill, formerly assistant secretary, has been raised to vice-president of the rehabilitation division, and Richard Ellis is now assistant vice-president of the benefits division. He was supervisor of special services.

## Pike Of Hartford Accident Training Unit Has Retired

Edward T. Pike, associate director of Hartford Accident's training center, has retired. He joined the company in 1934 after being manager of the fidelity and surety department of a general agency in Hartford. He became special representative of Hartford Accident at Philadelphia and in 1937 manager at Kansas City. He was with the home office bond department on special assignment before being appointed to the staff of the training center.

## Pa. Court Orders Insurer Pay \$33,513 In State Taxes

Dauphin County Pa., court has ordered Pennsylvania Manufacturers Assn. Casualty to pay \$33,513 in capital stock taxes for 1954 to the Commonwealth of Pennsylvania.

The court found this amount due on a \$9,500,000 capital stock evaluation and dismissed an appeal for re-settlement and review of the case. The company has earlier paid \$2,645 which will be applied to the amount due under the court decision.

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## Auto Merit Rating In Europe Discussed

(CONTINUED FROM PAGE 6)  
pany after he joined it.

In Switzerland, all companies allow a claim-free discount of 40%. This is allowable as follows: For one year of claim-free driving 10%, two years 20%, and then 5% per year thereafter until a maximum of 40% is reached after six years of claim-free driving. Most of the companies permit the discount based upon satisfactory proof of the applicants' record prior to date of application.

In Holland, all of the companies allow a claim-free discount of 30%. This is applied 10% for one year of claim-free driving and 5% thereafter for five years until the 30% maximum is reached. Most of the companies permit the discount based upon satisfactory proof of previous record prior to date of application.

### Up To 40%

In Denmark, all companies offer a merit discount program up to 40%. Most companies offer an optional program under which the applicant purchases insurance with a deductible provision for BI or PDL, and on this program there is no merit rating. As a practical matter, the overwhelming majority of insured are on the merit rating program rather than the deductible.

In Sweden, all companies give a special claim-free discount and have been doing so since the early 1930s. They have had nearly 30 years of operation on their program. The discount runs up to 70% off a base rate which would be considerably higher than the average of most of the other countries. The base rate is, in effect, almost a punitive or demerit rate. For two years of claim-free driving,

the insured receives a 30% discount from this base rate. After four years of claim-free driving, he receives a 50% discount—after six years of claim-free driving, a 70% discount. In case of claim, insured move upwards in rate one discount bracket. While the base rates of the various companies in Sweden vary, the above discount schedule is followed by all the companies, and if insured is in the 50% bracket with one company, he automatically gets the same discount when he changes to another company, upon satisfactory proof of his claim-free record. The proof consists of production of his last renewal certificate which, on its face, shows the discount bracket.

### Strongly Favor Program

Swedish insurance officials were extremely high in their praise of the operation and the results of their program. Because it has become such an ingrained part of their rating structure, they feel the public has an acute awareness of the penalty in dollars for a poor driving record. It is a matter

of grave concern to many drivers that, if they are not careful, they may wind up at a base rate and lose their 70% discount. In addition, new drivers, whether young or old, start at the base rate and the prospects of getting a tremendous discount based upon a future safe driving record looms large, insurance officials believe, in their driving habits. These officials are convinced that their merit rating program is a definite factor in promoting highway safety in Sweden.

It should be noted that the above information was reported by officials of insurance companies and did not come from studies of filings made in government insurance offices. The accuracy of all of the information given might be subject to some question, though most of the officials were quite specific in their information. It should be noted, too, that none of the companies complained of any particular administrative difficulties in running their merit program and that a number of them expressed substantial amazement when they were advised that no merit rating program prior to 1960 existed on a wide scale in the United States.

## SEUA Advances Jolly, Videon And Westbrook

Southeastern Underwriters Assn. has named Pelham W. Jolly Jr., Thomas S. Videon Jr., and Richard G. Westbrook assistant secretaries.

Mr. Jolly has been in the engineering department in various cities, has worked on SEUA publications, and is editor of the employee publication. Mr. Videon was special agent of Florida Inspection & Rating Bureau at Bradenton before his transfer in 1956 to the SEUA home office where he is concerned with rate review filings and schedules. Mr. Westbrook has done field engineering work and has had home office administrative duties since 1956.

## Houston Group Appoints Coffay Casualty V-P

Houston group has appointed John P. Coffay vice-president of casualty underwriting. He entered insurance with Maryland Casualty, serving as an underwriter for compensation, liability and automobile lines.

## Allstate, Others, Get Mississippi Deviations

Mississippi has approved a 25.6% deviation from rates of Mississippi State Rating Bureau on educational institutions and apartments of more than four families for Northwestern National.

The department also approved the application by Allstate to deviate 15% on all properties. It has been deviating 15% on residential risks. The extension of the deviation was supported by figures showing that the company's residential business in Mississippi for three years produced a loss ratio of 17 on a volume of \$45,000. Nationally, Allstate deposited, it had a loss ratio of 30 on earned fire premiums of \$35,837,081 in five years. Nationally, its 1959 loss ratio on commercial properties was 25 on an earned fire volume of \$212,000.

The rating bureau's filing for a 25% credit on school properties was approved. Schools earn the credit if they meet certain qualifications, such as concrete floor, heavy timbers, etc.

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# Tell How Business Should Be Run

(CONTINUED FROM PAGE 5)

age insured. We appreciate receiving our renewals from Shelby since they are always on time and well in advance of our processing dates. We would use mercantile broad form building policies should you offer them and will be looking forward to Shelby providing them. Today comprehensive policies offer the agent a wider variety of sales tools.

One of the greatest lacks of agents and companies is a better public rela-

tions job, similar to that done by life companies in their institutional advertising. Also, we have to get across to the public that our product is not a maintenance product but a protection against catastrophe. This is idealistic, but I believe that if we instituted a mandatory deductible of at least \$100 in every kind of contract, this would solve many of our problems.

The special automobile policy and merit rating will arouse a certain amount of confusion in insured and

will defeat the eventual benefit of uniform coverage.

With the introduction of various new homeowners forms into Washington, Maryland and Virginia area, the average agent is probably going to be faced with more claims and loss adjustment problems than he has had before. Perhaps the mandatory \$50 deductible or some sort of franchise clause is the solution. We strongly recommend this. My own experience has been that when the deductible is properly explained, there is no problem at all in selling it. This would release the agent to do a little more selling and spend a lot of his time adjusting small losses.

X X X

I think that companies and agents should discuss the product before companies go ahead and put items on the market without knowing that they will sell. An advisory committee ought to be set up in each state in which the company operates, so that all problems—commissions, types of policies, policy wording and new sales ideas—can be discussed before being put into effect. Standardization of policies and endorsement forms is most important. The complications that are generated in agency operations without standardization are expensive and confusing. I hope that an effort will be made in this direction in the near future.

X X X

Finance plans do help improve policyholder paying habits. The solution to the collection problem is to sell the finance terms at the time of sale. Determine whether the customer can pay you in the 45 or 60 days that you need. If he can't sell him the finance plan. Many agents dislike a finance plan because they don't have a real understanding with their customers as to whether one is needed or not. I prefer company financed plans because they tend to be a little lower on interest rate and to use the working relationship the agent already has with the company.

X X X

The paramount issue facing agents today is the problem of reduced commissions and the competition of exclusive agent companies. The only way we are going to be able to combat this is to educate the public to the fact that it must pay more if it wants the services of an agent. This type of operation is worth more money and in all cases where it has been explained to a policyholder why his insurance is \$5, \$10, \$15 or \$20 more a year, gen-

erally speaking he would be willing to pay it when he is told the advantages of having an agent who is independent, who has his own office, and is also willing to take his side in the event there is a conflicting issue.

X X X

Selectivity must remain an important part of mutual insurance. None of us has an easy time putting a bad risk through any mutual company. I am sure our stock company competitors can't do it either, although a lot of us think we would be better off representing stock companies. It is apparent now that those fellows have an underwriting squeeze on them, as we do. However, the ordinary business is still being written by the mutuals as well as by stock insurers. By "ordinary," I mean those risks which really are not exceptionally good risks. It is hard to understand, unless there is some magic in the treasurer's office, how a mutual company can pay a 15% or 20% dividend and write the same classes of business that the big stock companies write and still come out whole.

No, I am not asking you underwriters to tighten up on us. I just want to say that competitive position is important to me. Unless a profit is made in underwriting, we all will be out of competitive positions soon. When I ask the companies about payment of dividends on substandard mutual classes, the reply is that the by-laws of the company don't permit discrimination within a class as far as dividends go. Why any company continues to pay dividends on class 2C automobile risks or on even accommodation fire risks, I can't understand. If it is important enough to an agent to force his company to take it as an accommodation, a dividend shouldn't be paid. Neither should the regular commission be paid on such risks. Perhaps if the companies paid no dividend on an accommodation risk and reduced the commission to practically a countersignature fee, some of us agents would stop trying to put the companies out of business.

X X X

The Texas safe driver plan that we have experienced for the past year was originally opposed by Texas Assn. of Mutual Insurance Agents as too burdensome on the agent and of less benefit to the public than people had anticipated. After the plan was in operation eight months, the Texas agents went on record favoring it. Agents felt that 75% of the public were getting 20% credit on insurance and this encouraged safe driving because the statistics indicate that there were fewer accidents and fewer moving violations. My theory is that if it



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saved one life, it was worthwhile.

The time has come for the companies and agents to work out a system to release the agent from office detail as much as possible and permit him to go out and sell. For one thing, our system of forms is utterly stupid. We have a four-drawer cabinet jammed to the gills with forms from various companies when one set of forms could just as well be used for all companies in getting the same information. It certainly isn't necessary to have a separate reporting form for an automobile loss or compensation loss for every company. We are all after the same information, and there is no reason why we can't use a standard form. In addition, copying this information on varying forms increases the cost to the agent at least twice and maybe three times.

It would seem that IBM equipment should enable us to get out a system of records which could be used both by the company and the agent and avoid much duplication and time.

Another thing that should be taken care of immediately is the multiple inspection of the same property by different companies. There is no reason why

one inspecting agent could not do the job for all companies in the same territory. It would save the cost of sending in dozens of men from various parts of the country to see the same property. It would also do away with the annoyance that the owner of the property suffers from having so many inspectors come around. On big risks, there are so many inspections insured gets fed up and finally throws in the sponge. "To hell with the whole bunch," he says. One competent engineer in the territory could handle the job. He would become recognized as an authority on fire prevention, would get to know the properties, and would work with the fire department in such a way that everyone would be talking the same language and getting results that we don't get at all under present conditions. It's high time full cooperation between companies and agents was achieved all down the line.

X X X

The companies should welcome agency representatives in consultation before developing policy changes. Agents are on the firing line. They know what tools we need, and this cooperation by companies and agents would be beneficial to the business.

X X X

Conceptually, merit rating is something the public wants. It can be very important, principally in establishing greater equity in rates. However, it is being administered unsoundly. A three-year basis is not an actuarially sound one for rates. However, if the industry undertook a careful research program to discover those characteristics in drivers which tend to make them careful, a merit system could work equitably for all. Some studies have been made which show that there are certain characteristics which can be measured.

X X X

Possibly a deductible automobile liability policy would be the answer to the unsafe driver. If he realizes that the first accident he has he is going to pay a deductible of \$100, he will drive a lot more carefully than if he knows that an insurance company is going to pay everything from a penny up. This and other innovations that companies might develop should be discussed with a panel of agents before they are put on the market.

Company-prepared renewals are very helpful. A package policy for home and auto should be available, but the two should also be available separately. I like policywriting service. A package policy for mercantiles is needed. I like a suburban office. Direct mail has been my best advertising medium. Policies and endorsements should be standardized. We definitely should keep up our education clinics.

We have a lot of ideas on how to improve the insurance of today. First, the companies must give more service if the agents are to give more service. We cannot promise our customers policies on a certain date when we can't get them from the company. At times we have to go to four companies before we can get a policy.

X X X

The public is not asking for the special automobile policy and does not understand it. We should stick to what we have and simplify it. The public is not asking for merit rating. The six months policy is good.

X X X

All lines of insurance should be billed directly. Direct billing can eliminate a lot of unnecessary detail and cut the cost of insurance for the public.

There should be a greater liaison between underwriting departments in

the company. These departments do not take into account the lines written by other departments. One risk which does not particularly meet the requirements of the workmen's compensation department of the insurer accounts for \$1,500 or more in premiums per month on other lines, primarily fire. This is sufficient insurance to justify allowances.

X X X

I have heard no demand for a three-month policy. However, I like the six months policy. Finance plans do improve policyholder paying habits. There

must be, there should be, payment required before a policy becomes effective. Direct billing is all right. There should be a coverage breakdown or premium breakdown on the coverage renewal endorsement. Company-prepared renewals are helpful. Most agents should agree that company-prepared accounts current are very desirable. I would like to see a package for all lines. I would prefer to see local agents prepare the first policy or have the prerogative of sending the first application to the home office for preparation. There is a need for such

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Airkem did the job. At the nominal cost of less than \$450, a trained crew of smoke odor experts removed every trace of odor despite the sensitivity of the product, the huge cubic footage of the building and the extremely low temperatures.

Such unusual cases of the effectiveness of Airkem are not uncommon. However, the everyday prompt service offered to the insurance in-

dustry and to the insured, reduces the size of losses in residential and business fires, speeds settlement and eases the many difficulties frequently encountered in loss adjustment. Airkem service is available throughout the United States, Canada and most of the world. It is supported by the world's largest odor research laboratory skilled in solving odor problems.

You can improve service to policy holders by recommending Airkem Smoke Odor Service in their emergencies. Write today for information on how all types of smoke losses have been simplified by Airkem.



FOR A HEALTHIER  
ENVIRONMENT  
THROUGH  
MODERN CHEMISTRY

AIRKEM, INC., 241 East 44th St., New York 17, N.Y.

AGENT

S



## YOUR BONDING PROSPECT CAN'T "BEAT THE PERCENTAGE"!

It has been estimated that one-fifth of next year's increase in the U. S. gross national product will be diverted by employee dishonesty... a staggering \$1,500,000,000... yet four out of five such losses are not under bonding protection.



The London & Lancashire Group has recently developed a comprehensive sales kit for building employee's bonds premium volume. Contact the L. & L. field office nearest you, or write Advertising Department, London & Lancashire Group,

20 Trinity Street, Hartford, Connecticut.



## LONDON & LANCASHIRE GROUP

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD.  
SAFEGUARD INSURANCE COMPANY  
STANDARD MARINE INSURANCE COMPANY, LTD.

20 Trinity Street, Hartford, Connecticut

NEW YORK

CHICAGO

SAN FRANCISCO



coverage with deviated rates. I favor a mandatory deductible. First floor location with parking. I would not consider joint office operation with another agent. I am interested in standardization. I think 1752 clubs sponsored educational clinics are the best.

X X X

An important sales facility that could be offered to the agent is a monthly premium payment plan for both individual and commercial insured. Financed plans are becoming extremely popular and indicate that the typical American can fit into his monthly budget the insurance premiums for automobile, home, boat and other things. The mechanics of issuing the automobile policy on automatic equipment should be extended to homeowners policies as soon as possible. Educational clinics are imperative for agents. Clinics conducted by companies for their own agents in various locations are extremely helpful, as are the 1752 club clinics, preferably sponsored by state associations of agents.

### Likes Company Help

Company-prepared renewals are helpful. They save me a considerable amount of time and free my secretary for other work that is much needed. I have concluded that I do not prefer to write policies, and would very much like the companies to provide this service for us. Company billing is going a little too far. For us to control our accounts and have regular exposure to them in order to pick up the additional lines, it is necessary to continue agency billing. We combined office operations for three agents in our community. This didn't work out. But I do share offices with a certified public accountant. We share expenses and, of course, I give him business and he gives me business.

X X X

I have been in the insurance business since 1921 and have clients, who, during that time have never had an accident. I believe they are entitled to much consideration. As to payment plan, I vary that according to my insured and his circumstances, because I deal primarily with the individual laborer. I have very little trouble with collections, but once in a while I have to send out statements to get what is coming to me. Direct billing

has been the life practice from the beginning, and it is a little out of line for me to think that automobile or fire or any other regular line of insurance would be put on the same basis after all the years of doing it otherwise. I am just a small agency in a small town, having my office at the present time in my home and run things to suit customers and myself. Things might be different if I were a big agent writing many companies and large risks.

## Combined American, First National Casualty Of Wis. Increase Their Capital

Stockholders of Combined American of Dallas and First National Casualty of Fond du Lac, Wis., members of Combined of Chicago group, have approved increases in capital.

Combined American will have \$1 million in capital instead of \$500,000 by transfer from surplus, and capital of First National Casualty will increase to \$500,000 from \$300,000 by transfer from surplus.

## Brocklesby And Cotherman Advanced In Colo., Wyo.

St. Paul F.&M. has promoted Kenneth L. Brocklesby and Richard L. Cotherman from special agents to state agents at Denver. Mr. Brocklesby will travel southeastern Colorado, and Mr. Cotherman the northeastern section of that state and part of Wyoming.

## Wisconsin CPCUs Elect

Wisconsin CPCU chapter, at the December meeting at Milwaukee, elected Howard Patton of Richter, Schroeder Co., Milwaukee, president. Other officers are Henry Bush, Hanks & Bush, Madison, vice-president; and Thane Malmstone, Standard Accident, secretary-treasurer.

## N. J. Mutual CPL Rate Up

Mutual Bureau has revised CPL and farmers CPL rates in New Jersey effective Dec. 21. Rates for owners and tenants of one-family dwellings are increased 50 cents and other classifications are increased by comparable amounts. The farmers CPL, for farmers residing on the premises, is increased \$2.50.

## Rochester CPCU Unit Formed

Rochester (N. Y.) chapter of CPCU has been formed. John J. Holahan, agent, was elected president; Allen Fischer, Standard Accident, vice-president; Theodore R. Tuke, agent, secretary; and John R. Riedman, agent, treasurer.

Paul G. Anderson, Bloomington, Ill., grain merchandiser and former State Farm agent, has been elected a director of State Farm Mutual Automobile. He replaces Harold R. Nevins.

## THE OLDEST INSURANCE COMPANY IN THE WORLD



55 FIFTH AVE., NEW YORK

## Automobile Physical Damage Insurance

This conservatively operated Stock Company, admitted in Missouri, Illinois, Indiana, Kentucky, Ohio and Michigan, specializing in Auto Physical Damage Insurance, has

### OPENINGS AVAILABLE FOR AGENCY CONNECTIONS

If you have a volume of this business, it will be to your advantage to place it with a Specialty Company.

Send your inquiries to MANCHESTER INSURANCE & INDEMNITY COMPANY,  
9929 Manchester, St. Louis 22, Missouri.

A CAPITAL STOCK COMPANY

# Manchester Insurance & Indemnity Company

Cincinnati, Ohio

Executive Offices—St. Louis 22, Missouri



## McCracken Elected By Highway Safety Unit

Insurance Institute for Highway Safety has elected Dwight M. McCracken, vice-president of Liberty Mutual, chairman of the board of governors. He succeeds Thomas C. Morrill, vice-president of State Farm Mutual. All other officers were reelected.

## Continental Casualty Is Not Continental Reinsurer

Attention has been called to a quirk in make-up of the Dec. 30 issue, page 24, on which an article by L. Tytens describing underwriting losses of Continental reinsurers appeared directly above the ad of Continental Casualty. The reinsurance department of Continental Casualty is not operating at a loss nor is it operating on the Continent. Even if the reinsurance department of Continental Casualty were undergoing an underwriting loss, it is not the type of situation to which attention would be called in big headlines.

## Bankers Purchase, Rename Casey Agency Of Chicago

The John W. Casey & Sons agency of Chicago has been purchased by a group which includes a number of Chicago bank officers, and it will be known as the Beverly agency.

The agency will be headed by Charles B. Taylor as president and treasurer. He has been with Alexander & Co. for nine years, the last three as chief engineer. He also has had experience with the Bartholomay & Clarkson agency of Chicago and Underwriters Service Assn.

Other agency principals are of the Beverly Bank. They are Chairman Raymond J. Spaeth; Arthur Baer, vice-president; and Donald Martin, secretary.

The Casey agency, formed in 1916, has been operated by John Hennessey.

## New Oregon Insurer

North-West Ins. Co. has been licensed in Oregon with its home office in 430 Pacific Building, Portland. The company is owned by Lincoln Casualty of Springfield, Ill., and the president of North-West is Robert P. Butts Jr., president of Lincoln Casualty.

North-West has a capital and surplus of \$750,000. It will specialize in auto, using booklet form policies, direct billing and automation.

David C. Christensen is executive vice-president of the new company. He is manager at Portland of Lincoln Casualty. The other officers are R. W. Snyder, vice-president; J. S. Butts, treasurer and assistant secretary; Robert D. Patton, secretary, and Robert D. Evans and Harold R. Wormer, assistant secretaries.

## Reciprocal Names Two

International Automobile Insurance Exchange of Indianapolis has appointed Herbert B. Woodruff claims manager and Myron Silverman underwriting supervisor. Mr. Woodruff, who has been in insurance since 1929, joined the reciprocal last June as an examiner. Mr. Silver also went with International Auto in June. He has been in insurance 3½ years as an underwriter.

## Thornburg Ohio Special Agent

Indiana Union Mutual has assigned John G. Thornburg to Ohio as special agent. He has been with Ohio Hardware Mutual.

## Davis & Sons Purchases Texas General Agency

H. L. Davis & Sons general agency of San Antonio has purchased the Sherrill Kendrick & Co. general agency of McAllen and all companies in Sherrill Kendrick & Co. will be represented by the Davis organization.

Mr. Kendrick will join the Davis general agency as manager of the McAllen branch office servicing the Rio Grande Valley, offering the facilities of the Davis Hail Pool and Davis Gin Insurance Underwriters, as well as the special risk and truck departments.

H. L. Davis & Sons has also opened an office at Lubbock to serve west Texas, and there is a service office at Houston.

## Tenn. Adjuster Writes Guide On Claim Procedure

A guide book for adjusters, outlining activities required from the time a claim is referred until it is concluded, has been published by Henry C. McCall Sr., senior fire adjuster of the Tennessee Co. of Nashville, and a 26-year veteran in the adjusting business.

In 87 pages, Mr. McCall describes the chronological chain of steps applying to adjustments generally, while commenting on various types of proof of loss, policy violations, coinsurance, etc., and discusses appraisals and building estimates with a list of 40 different items to check.

Individual treatment is given to betterments and improvements, personal property (retail stores, service organizations, manufacturing plants, and household goods) explosion, plate glass, rents and rental value, business interruption, additional living expense, and others.

Single copies of the book may be purchased from McCall Enterprises, P. O. Box 473, Nashville, Tenn.

## Walker Promoted In Mass.

John J. Walker Jr., who has supervised eastern Massachusetts for Merrimack Mutual Fire, Cambridge Mutual Fire and Bay State, has been promoted to executive special agent. His additional duties will include training new field men and opening new territories for the companies.

## Consolidate N. Y. Manual

New York Fire Insurance Rating Organization has issued a single general rules manual for use in all divisions of the rating organization—New York City, suburban and upstate. Recently the New York City and suburban divisions were merged into a metropolitan division of the bureau and Albany, Syracuse, Rochester and Buffalo districts were re-designated divisions.

Among numerous revisions are promulgation of alterations and repairs clause for use with the blanket form including sprinklered risks written blanket, and availability of automatic cover for insurance written on blanket forms. The cancellation rule is made uniform statewide. The exemption clause previously required for New York City cold storage risks is discontinued and the former 5% rate credit for the exemption withdrawn.

National Board has published a new abbreviated edition of its revised National Fire Prevention Code. Various editions of the code have been adopted by 1,600 communities.



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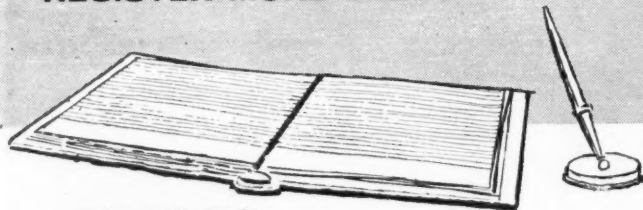
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THE MANHATTAN FIRE & MARINE INSURANCE CO.  
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MULTIPLE LINE  
NATIONWIDE  
FAST SERVICE

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Producers who work with us say: "Very Good People to Deal With"

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**ALL-IN-ONE**

## MOTEL POLICY

Motel owners go for this modern policy, with its broad features at lower cost. Your client will find no unnecessary "musts" in this policy, no over-lapping, no vacancies in coverage.

Write today for details on our "ALL-IN-ONE" motel policy. Compare it with others. You'll be proud to recommend this streamlined insurance package.

## NEW HAMPSHIRE INSURANCE GROUP



NEW HAMPSHIRE INSURANCE COMPANY  
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*Insurance Brokers*

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Pittsburgh Seattle St. Louis Indianapolis St. Paul Portland Buffalo Duluth  
Atlanta New Orleans Tulsa Milwaukee Phoenix Cleveland Norfolk Oakland  
Charleston Montreal Toronto Vancouver Calgary Havana Caracas London

## Dashiell To Claims Post Of London Assurance

William W. Dashiell has left Civil Service Employees to go with London Assurance as Pacific Coast regional claims manager.

He has been in claims work with Matson Navigation Co., Ray Rosen-dahl Co., Travelers and Royal-Globe. He joined Civil Service Employees in 1953 and became assistant vice-president of claims.

## J. L. Brandmaier Concludes 50-Year Insurance Career

J. L. Brandmaier, assistant secretary of Northern of New York in charge of the Philadelphia office which supervises eastern Pennsylvania, Maryland, Delaware, Virginia and District of Columbia, has retired after 50 years in the business.

Mr. Brandmaier started as an office boy with the U. S. branch of the Aachen & Munich in New York. Later he was in the agency business in Newark before going with Firemen's as chief underwriter and assistant to Archibald Kemp, vice-president. Later he was underwriting manager of the southern and southwestern territory for the Svea group. When the group was reinsured by Home, Mr. Brandmaier was assigned to do the clean up work in 28 states. Then he went into the eastern field for Standard of New York, in 1938 becoming manager at Philadelphia for Standard and Standard Surety & Casualty. He opened the Philadelphia office for Northern of New York in 1945.

## Shriver Is President Of Alexander & Alexander

Alexander & Alexander has elected Samuel H. Shriver president. Mr. Shriver, formerly senior vice-president and treasurer, succeeds Ralph S. Henderson, who retired Dec. 31. Mr. Henderson will continue as a director.

Frank W. Ritchie was named vice-president and John A. Bogardus Jr. assistant vice-president.

## British Group Gives Toys

Employees of Commercial Union-North British in the group's four offices in New York presented hundreds of toys to the Police Athletic League this year. The toy drive, which has been held since 1956, was conducted by a committee of women employees headed by Mrs. Ann Franceschi. The gifts were accepted by Lt. Robert McManus, executive director of PAL at an official presentation in the home office.

## Indict 5 Charged With Bilking Indem. Of N. A.

A federal grand jury has indicted five Chicago men on charges of swindling Indemnity of North America on personal injury claims for \$11,342.

The five are Horace N. McCall, a former claims supervisor of the company; Albert C. Albin, currency exchange owner; Arthur Stevens; Morrie Rosenberg; and Dennis G. Recktenwaldt. They were charged with 11 counts of conspiracy and 10 counts of using the mails to defraud.

According to Assistant U. S. Attorney Robert F. Monaghan, Stevens, Rosenberg and Recktenwaldt, after deliberately falling on property insured by Indemnity, filed claims for injuries. McCall would send adjusters to investigate the claims and would approve payment. Albin would cash the settlement check in his currency exchange and would deposit in his private account the money, which he would later divide with the others in the group Mr. Monaghan said.

The three men took nine falls between 1956-58 and received claim payments of from \$575 to \$4,650 on each tumble, Mr. Monaghan said.

## Indianapolis Insurers In \$3.5 Million Libel Suit

A \$3.5 million action has been filed in Cleveland federal district court by Trans-American Surety of Cleveland and its president, Dominic Lonardo, charging two Indianapolis insurance companies with libel and slander.

The respondents are United Public and Robert E. DeBaun, its Akron agent, and United Bonding and its Cleveland agent. The suit is based on alleged violations of anti-trust laws and involves bail bond business on an inter-state scale.

The petitioner charges that the respondents' actions cost Trans-American a valuable bail contract it had won from United Public in 1959. Much of the alleged libel and slander was founded on a series of stories published last summer in the Indianapolis Star, according to the suit.

Trans-American is seeking \$2.5 million in treble damages, \$1 million in punitive damages plus restoration of contract.

## Phoenix Of Hartford Has New Office In Toledo

Phoenix of Hartford has opened a new field office for northwest Ohio at 666 Spitzer Building, Toledo. Robert N. Andrews, Ohio special agent, is in charge.

# REINSURANCE

*Through Intermediaries Only*

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HARRISON 7-8432



## Says Marketing Tangibles, Intangibles Same

(CONTINUED FROM PAGE 1)

chase (low, high); unit expenditure (high, low); satisfaction to purchaser or consumer (indirect, direct); purchaser's knowledge of product and its advantages (low, high); current utilization of advertising (low, high); distribution cost (high, low); contribution to social status (low, high); importance of legal controls (major, minor) importance of product inventory levels and costs (nil, minor), and ability or opportunity of consumers to appraise quality of product (poor, high).

### Gives Summarization

Mr. Cordell said such a summarization clearly points to the fact that changes possible and beneficial for selling tangible low cost items purchased frequently may not be applicable, or require considerable modification, to be of value in the sale of high priced, low purchase frequency intangibles.

In suggesting, nevertheless, that insurance companies draw upon the experience of successful marketing approaches in the field of tangible consumer products, Mr. Cordell said he was not overlooking the already successful marketing practices of insurance companies, but, rather, was emphasizing the need for increasing the degree to which these new marketing ideas are utilized; use of more formal marketing plans, and improvement in planning for changing marketing conditions and conditions.

### Trends May Be Observed

Trends toward adoption of successful marketing and advertising principles pioneered by tangible product manufacturers may be observed in the current operations of the more aggressive and leading insurance companies, Mr. Cordell opined. Since these marketing principles are based upon basic human characteristics and desires common to the purchase of both insurance and tangible products, it would be indeed surprising to find them any less successful in the field of insurance.

To determine the marketing approaches likely to be of greatest value in the insurance field would require much careful marketing research, the speaker said, but there are a few areas which, on first examination, appear to offer great potential.

The first of these is the use of consumer-oriented research. This would provide a better understanding of the consumer, the consumer's needs and desires, the buying transaction from the consumer point of view, the consumer's image of insurance and insurance companies, and the consumer's goals and satisfactions served by insurance.

### Information Helpful

Such information would greatly help, Mr. Cordell said, in providing guidance for management in establishing better sales policies, improving policy offerings and package design, greater use of advertising, selection of better advertising appeals, providing more effective sales effort, offering better values for consumers, simplifying policies and the insurance transaction, achieving better consumer understand-

ing and appreciation of insurance and insurance objectives, and making the purchase of insurance easier and more convenient for the consumer.

The second such area, the speaker said, is the use of more effective communication with the consumer. Insurance companies, for a variety of reasons, have tended to make very little use of advertising compared with companies in tangible product fields. With such low advertising effort in the insurance field, one might conclude there was no need for educating or communicating with policyholders. But can this be true when it is frequently obvious that neither the policyholder nor his family know the name of the insurance company protecting them? When neither appreciate to the degree they should the advantages of insurance protection? When neither know just what insurance protection or coverage they have? When neither have any idea as to whether they have superior, good, or poor insurance coverage?

Mr. Cordell said the third such area

is the improvement and modernization of insurance distribution methods. Consumers' desires for lower costs and better values and their willingness to forego some of the services and do some of the purchasing work themselves have created major distribution changes in the tangible goods fields, resulting in developing, in sequence—chain stores offering lower prices for cash and carry customers; supermarkets offering still lower prices and wider selection of items, and discount houses extending these principles to less frequently purchased items.

The attractiveness of lower prices and better values has already been quite evident in the sale of many lines of insurance, Mr. Cordell suggested. Insurance companies have been examining and experimenting with lower cost distribution channels, despite the problem posed because insurance is purchased so infrequently. But there are natural channels for reducing marketing cost of insurance, and further investigation and search represent an important area of insurance marketing research. Rapid growth of group insurance programs has already

shown the potentialities in this area.

Mr. Cordell concluded by saying human satisfactions served by the insurance business should be as strong, and possibly even more socially commendable, than those served by many industries providing tangible products. Everyone has an important stake in how well and how efficiently the free enterprise system operates, and the insurance business should be encouraged to play its role as effectively and efficiently as possible.

### Gopher 1752s Elect

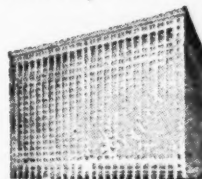
Gopher 1752 club has elected Thomas O'Malley, Milwaukee Auto, as the 1961 president. Stanley Schaefer, Farmers Home, is vice-president; John Cumming Jr., Austin Mutual, secretary, and Harold Gredvig, North Star Mutual, treasurer.

**Adjusters Round Table of Boston** has been organized by loss men of 25 insurers in the area to discuss fire and marine loss problems at the supervisory level. George P. Down, Travelers, has been named chairman.



## 3,272 NAMES

The directory board of the Insurance Exchange Building is the largest of any office building in Chicago. That's to be expected, since the Insurance Exchange is the largest office building in the city. It is remarkable, however, that all but a handful of the 3,272 names on the directory board are those of companies and executives in some branch of the insurance business.



There's no comparable assemblage of insurance people and activities anywhere else in the world. And nowhere else is there a building offering comparable advantages to this great industry.

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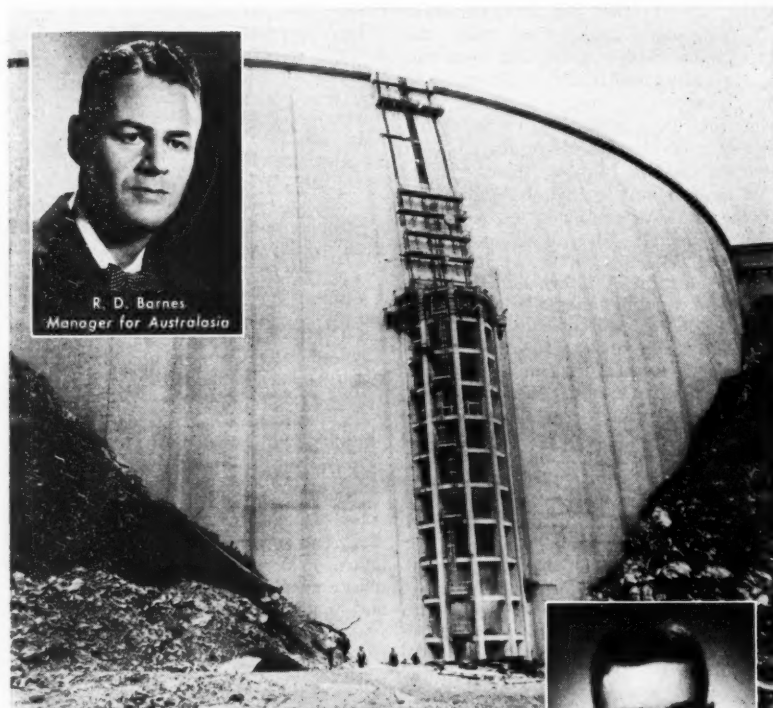
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"I'M HERE IN ANSWER TO YOUR AD FOR AN AGGRESSIVE SALESMAN!"

### Verdrose President Of N. Y. Surety Managers

Surety Managers Assn. of the City of New York has elected Michael A. Verdrose, Great American, president. He succeeds Donald E. Harned, Travelers. William J. Flaherty, Aetna Fire, was elected vice-president, and Richard J. Purcell, Commercial Union-North British, secretary-treasurer.

### Warns Agents Against Fees For Handling Assignments

The South Carolina department has warned agents writing auto liability insurance that it may revoke their licenses if they charge fees for servicing automobile assigned risk applications. The department also has termed a "betrayal of trust and confidence" placement of liability insurance in companies with which they are not licensed.

The latter practice, the department contends, often adds to the cost of the coverage and results in delays. The practice is followed, the department indicated, in order to avoid placing insured in the assigned risk plan.

### Munier Named In Syracuse

Phoenix of Hartford has appointed Charles V. Munier Jr. state agent in central New York at Syracuse. He has been in production work in upstate New York for a number of years.

### Opens Branch In Jamaica

Mutual of Omaha opened a branch in Kingston, Jamaica, Jan. 1. This may be followed by an office at Montego Bay, if business justifies, according to a company release. Policies to Jamaicans will be issued in Omaha for the time being, although they will be processed in the San Juan, Puerto Rico office under the supervision of Anibal Sotomayor, general agent there. Premium income for Puerto Rico for 1960 will exceed one-half million dollars and underwriting experience has been considerably more favorable than the general average in the U.S., according to the release.

### Boston Names Wheaton In East Orange Post

Boston has appointed Robert J. Wheaton assistant regional manager at East Orange, N. J. He will be associated with Carl F. Fry, resident secretary.

Mr. Wheaton joined the group in 1951 and was named fire special agent at Baltimore and Pittsburgh from 1952 until 1955 when he was advanced to multiple line special agent. He was later transferred to Philadelphia. He was given charge of the Haddonfield, N. J., regional office in 1957 and was named manager of the East Orange branch in 1959.

### 14 Crewmen Sue Tanker's Owners, Operators For \$1.4 Million Negligence

Suits totaling \$1.4 million have been filed on behalf of 14 of the 29 survivors of the tanker Pine Ridge against the owners and operators of the vessel. The suits, seeking \$100,000 each for 14 crewmen, were filed in U.S. district court at Philadelphia.

The suits charge that the 10,417-ton tanker was unsafe and unseaworthy and that Keystone Shipping Co. of Philadelphia, the operators, and Paco Tankers of Wilmington, Del., the owners, were negligent.

Earlier, the two firms filed petitions in the U. S. district court in Wilmington to exonerate them from liability or to limit their liability to \$250,000, the value they place on the stern section of the ship.

The tanker broke in two about 100 miles off Cape Hatteras, N. C., and it took almost a week to tow the stern into Newport News, Va. The captain and six crewmen are missing and presumed drowned. The bow of the ship sank.

Marine underwriters stated that it will not be possible to determine the extent of the marine loss until a survey is completed and the owners decide what can be done with the stern of the ship and its cargo. Salvage rights were retained when the first engineer remained on board until the stern was towed into port. The vessel was said to be insured for \$800,000.

### Sauter Is Kemper Manager In Ariz.

The Kemper group has appointed A. E. Sauter district manager for Arizona. He has been a branch manager of Motorists Mutual for 19 years.

Commissioner Pearson of West Virginia has approved a \$50 windstorm and hail deductible in policies covering buildings. He pointed out that insurance is designed to provide for major monetary loss and not for maintenance items.

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# Year End Quotes Of 300 Insurance Stocks

(CONTINUED FROM PAGE 4)

Company	12/31/59	6/30/60	12/30/60
Natl. Indem., Neb.			25
Natl. L. & C., Ariz.	2%	3	2½
Natl. Life & Health	2%	2½	
Natl. Life, S. D.			3
Natl. Public Serv.	120	120	116
Natl. Security, Ala.	6½	4¾	5½
Natl. Security Life, Ind.	4¾	3¾	2½
Natl. Union Life	94	98	
Natl. Western Life	4¾	4	3½
Nebr. Natl. Life	6	6¾	6½
No. Am. Life & Cas.	120	130	132
Northeastern Life	34	25	17
North Central Co.			9¼
Northern Founders, N.D.		3	
Northern Life	133	134	130
Occidental Life, N.C.	7½	4¾	5
Ohio State Life	62	43½	40
Oil Industries Life	18	15	12
Old American, Wash.	31	32	28
Old National, Tex.	6½	9¼	9
Olympic Natl. Life	45	43	42
Oxford Life	1½	¾	¾
Pacific Mutual Life	11½	11	11¾
††Pac. NW Sec.	118	115	125*
Pacific National Life	18	18¾	15½
Palmetto State Life	19	18	18
Paul Revere Life	59	60	
Peninsular Life	6	3¾	3¾
Phila. United Life	25	25	30
Pilgrim H. & L.	250	253	
Pilgrim, Ind.	3½*	5¼	4¾
Pilgrim Natl., Ill.	4½	5	4¾
Pioneer Am. Life	25	18	18
Peoples Life, D.C.	40	35½	34½
Perpetual Life			¾
Pioneer Life & Cas., Ala.	6¾	7	5½
Piedmont Southern Life			58
Preferred, Mich.	13½	14½	11½
Prof. Risk Life, Colo.			2
Prof. Risk Life, Ark.			2
Provident Life, N.D.	75	77	75
Postal Life	17½	15	16
Producers Life, Ariz.	5	6¼	
Prof. & Bus. Men's	34		
Protective Life	52	44	45
Protective Sec. Life			2%
Pub. Savings Life, S.C.	7	7	4½
Pyramid Life, N.C.	4½	4	3¾
Pub. Savings, Tex.	5	5	5½
Quaker City	10¾	11	10
Quaker City Life			44
Reliance Life, Ga.	1¾		
Reliance L. & A., Tex.	1½	1½	1¾
Reins. Invest. Corp.	4¾	3¾	2½
Rockford Life	30	33	34
Reserve, Ill.			12
Reserve Life, Tex.	652		
Rio Grande Natl. Life	40	40	44
Sam Houston Life	4	2¾	2½
Seaboard Life	7¾	6	5½
Secured			21
Security Am. Life	4	3½	3¾
Security Life & Acc.	51	42	44
Security Life & Trust	59	45½	51½
Security Life, Ga.	13	10	10
Security Life, Miss.	46		
Selected Risks, N.J.	35	35	36
Selective, Ohio			16
Service Life, Tex.	10	13	9
Service Life, Neb.	5½	4½	5
South Coast Life	17	4½	3¾
Southern Aid Life		17	5
South. F. & C., Tenn.	82	4½	4½
Southern Life, N. C.			4¾
Southern Natl. Life, Tex.	4	4	10
Southern States Life	9	9½	10
Southern Union Life	½	½	20½
SW Am. Life	2½	1¾	1¾
SW Indem. & Life	4	3¾	3¾
SW Reserve, Tex.	7	6	5
Standard Life, Miss.	55		100
Standard Fire, N.J.			7½
Standard Security Life		7½	8¾
Standard Union Life	3¾	3½	2
State Natl. Life	29	29	30
State Capital	30	29½	26¾
State F.&C., Fla.	1¾	1¾	1¾
State Life, Colo.			1¾
State Life, Ill.	6	5½	5½
State Res. Life, Tex.	38	35	
Stonewall, Ala.	43	43	43
Superior Life, Pa.	100	121	
Supreme Life	27½	28	27½
Surety Life, S. C.	190		
Surety Life, Utah	160	180	180
Tenn. Valley Life	10	11	
Texas Life	37½	38	
Traders & Gen.	14		14½
Transamerica	29	25¾	26¾

## GAB Raises Murphy, Leach, And Others

General Adjustment Bureau has named William T. Murphy manager of industry relations. Previously he was general manager of the eastern department, a post in which Earl F. Leach succeeds him.

R. K. Rice Jr. has been promoted from an executive manager to assistant general manager in the southeastern department at Atlanta. Charles M. Clarke has been appointed national manager of group claims and will be in charge of claims under GAB's new group insurance plan. James I. MacKenzie, manager of the education and research division of the eastern department, succeeds Mr. Clarke as associate editor of the employee publication, Know Our Business.

### Murphy Joined In 1924

Mr. Murphy joined GAB as an adjuster at Newark in 1924. He went into the eastern department as assistant general manager in 1952 and was named general manager in 1953.

Mr. Leach joined the Bureau at Newark in 1925 and was in several branches in New Jersey before being appointed general adjuster of the eastern department in 1948. He was named executive assistant of the eastern department in 1951 and assistant general manager in 1954.

Mr. Rice joined the Bureau in 1940 at Memphis and later was transferred to Norfolk and was named manager

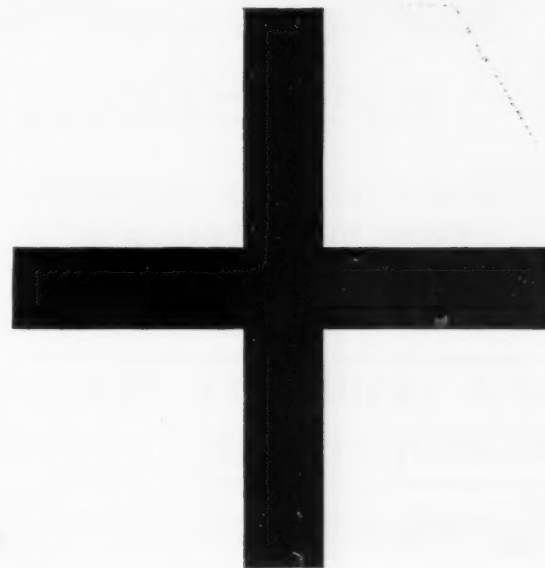
at Charleston. After Navy service in World War II he rejoined GAB in Memphis and later became Jackson, Miss., manager. He went with the department in 1951 and assistant general manager executive staff in 1951. He is CPCU.

The Bureau has opened new branches at 4063 Main Street, Upper Marlboro, Md., and at 369 White Plains Road, Eastchester, N. Y., and has closed its White Plains, N. Y., office. John T. Rhodes, who joined the Bureau at Washington, D. C., in 1941 and has been senior adjuster there, will manage the new Upper Marlboro

office. George M. Cuyler, formerly manager at White Plains, will manage the Eastchester office.

## Stock Dividends For Continental Companies

Directors of Continental Assurance late Wednesday announced a proposal for a 50% stock dividend and the stock was quoted 182-187 on the news. There will be a 25% stock dividend for Continental Casualty and this word sent the stock to a new all time high of 87-90.



Chalk up another big PLUS for AIU . . . its 40th year of international insurance operations.

Its experience and facilities are at your service. Call the AIU office nearest you.



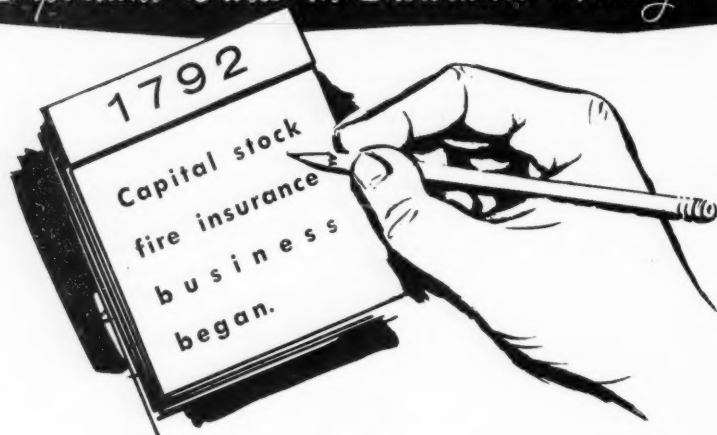
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**A LIBERAL MARKET**  
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201 South Central  
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## Important Dates in Insurance History



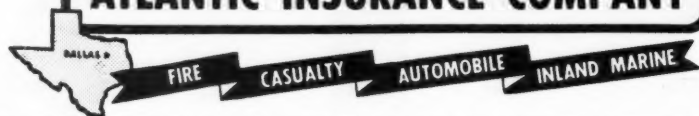
For the first time, contents of buildings as well as the structures were insured.

In 1925 GULF INSURANCE WAS ORGANIZED—

Today the Gulf Group is  
Texas' Largest Fire and Casualty

Operating exclusively on the "American Agency System"

**GULF INSURANCE COMPANY**  
**ATLANTIC INSURANCE COMPANY**



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1375 PEACHTREE STREET, N. E. ATLANTA 9, GEORGIA

## Pa. Supreme Court Rules On Landslide

(CONTINUED FROM PAGE 4)

perilous situation, disastrous consequences might have befallen the adjoining and nearby properties. In that case, the insurer would have been required to pay considerably more. That, the court said, would be a strange kind of argument and an equivocal kind of justice.

### Fallacious Argument

It is folly, the court opined, to argue that if a policyholder does nothing and thereby permits the piling up of mountainous claims at the eventual expense of the insurer, he will be held harmless of all liability, but if he makes a reasonable expenditure and prevents a catastrophe, he must do so at his own cost and expense.

The insurer also argued that the slide was not caused by an accident within the terms of the policy. The damage probably was the result of the contractor's work. By so arguing, the court said, the insurer contradicted its position that Leebov was not guilty of negligence. If the landslide was the probable result of the excavation, Leebov could not blindly proceed in complete disregard of the rights of the nearby property owners. Also, the insurer did not attempt to deny in pleadings or evidence the plaintiff's allegation that the occurrence was an accident.

The company also relied on exclusion K, which provides that the policy does not apply to destruction of property caused by the collapse of or structural injury to any building or structure due to excavation, pile driving or caisson work, or to moving, shoring, underpinning, raising, or demolition of any building or structure or removal or rebuilding of any structural support thereof, unless specifically declared and described and a premium charged for it.

### Discusses Measures Taken

But on this point the court said the measures taken were not to prevent damage to nearby buildings only but also to prevent damage to the land in its natural state and prevent injury to persons on nearby property.

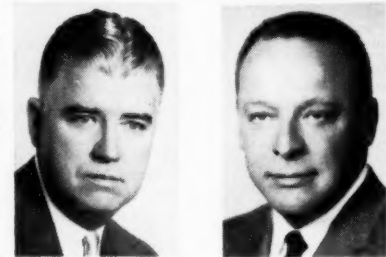
The insurer objected to admission into evidence of the fact that in 1948 it had paid claims under an identical

policy as the result of a similar landslide. The court said this evidence was properly admissible. The insurer, having once assumed a position inconsistent with the one it contended for in this case, and having led insured to rely thereon to his damage, may not now protest because that inconsistency of position is disclosed to the jury. Since insured had asked for complete coverage and since the 1948 claim was honored without qualification, the jury was warranted in concluding that the insurer intended landslide claims to come within the terms of the policy.

Arthur G. Stein appeared for the insurer, and Abraham Pervin for insured. Both are of Pittsburgh.

## Hinckley Succeeds Gossinger As Detroit Agents' President

John P. Hinckley has been elected president of Detroit Assn. of Insurance



F. J. Gossinger

J. P. Hinckley

Agents to succeed Frank J. Gossinger. He will be installed at the annual meeting Jan. 19.

Clifford A. Nelson was advanced from treasurer to vice-president, and Robert J. Grow is the new treasurer.

New members of the board are Henry W. Peacock Jr., and Norman C. Acker.

## Stockholders Approve

At a special meeting in the home office of Glens Falls, stockholders approved a proposal to increase capital by 100,000 shares and authorized the management to offer these shares to effect an exchange with stockholders of Kansas City F&M. The offer will be made as soon as the necessary regulatory bodies have acted on filings made with them.

**AT LAST—a practical  
guide book long overdue!**

**"MANUAL for  
FIRE INSURANCE ADJUSTERS"**

by HENRY C. McCALL, General Adjuster  
The Tennessee Co., Nashville, Tenn.

Yes, a down-to-earth guide book of functions, procedures and suggestions has finally been written to aid the fire adjuster. Step-by-step, the basic text tells him specifically how to handle each of the many and varied types of losses. A 62-page appendix of tables, diagrams, examples and forms provides additional helpful information.

It is an ideal guide for the training of new adjusters and a helpful reference to the more experienced. Cost is \$12.50 per single copy and \$10.00 for each additional copy in the same purchase order, cash or C.O.D. Write direct to:

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## L. B. Burt, Preferred V-P, Is Retiring

L. B. Burt, vice-president Preferred Fire of Topeka is retiring after 43 years with the company. For 12 years he was secretary-treasurer and since 1929 he has been a vice-president.

Mr. Burt is a past Most Loyal Gander of Kansas Blue Goose and was wielder of the pond for several years. His insurance career began in 1917, starting with the organization of Preferred. He was in politics before going into insurance.

## King County (Seattle) Agents Elect R. O. Haynes

R. O. Haynes of the LaBow, Haynes agency has been elected president of

King County (Seattle) Insurance Assn. He succeeds W. G. Burr, Continental agency.

Other officers are Floyd T. Fawcett, vice-president, and E. R. Bowden Jr., Bowden, Gazzam & Arnold, secretary-treasurer. New trustees are W. A. Watson, Graham



R. O. Haynes

Smith and Marshall Paris.

## H. B. Martin Retiring After 44 Insurance Years

Harold B. Martin, Wisconsin and upper Michigan state agent of Norwich-Scottish group, has retired after more than 44 years with the organization.

Mr. Martin started with the group in 1916 and six years later was made special agent in Illinois with headquarters at Chicago. In 1926 he was transferred to Milwaukee as state agent in Wisconsin and the Upper Peninsula of Michigan.

## N. Y. Club Elects Guggolz

Automobile Underwriters Club of New York has elected John Guggolz, Phoenix of London group, president. He succeeds Alexander S. McHaffie, Home. Walter Brokstad, Commercial Union, was elected vice-president; John Grygo, Yorkshire, secretary, and Victor Morotti, Providence Washington, treasurer.

## Alexander & Co. Raises Olson

Carl B. Olson has been promoted to chief engineer of Alexander & Co., succeeding Charles B. Taylor, who is going into agency work. Mr. Olson has been a fire protection engineer of Alexander for four years, and before that he was with Marsh & McLennan. He is a vice-president of Chicago chapter of Society of Fire Protection Engineers.

Harold Nelson has purchased the Jordan & Dodge agency of Corvallis, Ore., and the two agencies are being consolidated.

## MANAGING GENERAL AGENTS

Braerton, Simonton, Brown, Inc.  
740 Gas & Electric Building  
Denver  
Phone Acoma 2-4851

## Silversmith Takes Over Bosworth Companies

J. H. Silversmith general agency of Denver has been appointed managing general agent of the companies in the Bosworth general agency of Denver. The insurers are New York Fire, Royal Exchange, Dubuque F.&M. and American Livestock.

The Bosworth general agency is wholly-owned by Equity General, which is in receivership in Florida, its home state. Premiums on business written to be effective prior to Oct. 1 and items which appear on the final September statements from Bosworth general agency are to be paid as they come due directly to the home office of the company involved. After that, the money should be paid to the Silversmith general agency under the terms of individual agency agreements.

## Produces Films To Train Commercial Drivers

National Assn. of Automotive Mutual Insurance Companies has produced two new sound-color films for training commercial vehicle drivers. Each 16mm film runs approximately 10 minutes.

"Cay You Stop In Time" emphasizes the need for allowing proper space when following other vehicles and discusses factors which vary stopping distance. "Intersection Safety" depicts intersection situations and presents four basic rules for preventing this type of accident.

Copies priced at \$65 or preview prints may be obtained from Dallas Jones Productions, 430 West Grant Place, Chicago 14, Ill.

## Wenatchee Agents Elect

Thomas O'Brien has been elected president of Wenatchee, Wash., Assn. of Insurance Agents. R. S. Meenach is vice-president, and Clair Warren secretary-treasurer.

## STOW AWAY BIGGER PROFITS



## with Pawtucket Mutual!

Profits are where you find them. And you need look no further than Pawtucket Mutual, one of New England's oldest and strongest companies.

For your customers and prospects, Pawtucket means 20% savings on all fire and allied lines and generous dividends on the other lines the company writes — homeowners forms 1 through 5, automobile physical damage, and all inland marine lines. It also means prompt claim settlement by independent adjusters.

For you as an agent, Pawtucket means liberal commissions. In addition, you have the advantages of large line facilities through Pawtucket's membership in New England Mutual Fire Underwriters Association and Mutual Inland Marine Underwriters of New England.

Join the other independent agents who prefer Pawtucket. Write today for full information.



## PAWTUCKET MUTUAL INSURANCE COMPANY

25 MAPLE STREET, PAWTUCKET, R. I.

Founded 1848 . . . dividends since 1849

## SURPLUS LINE AGENTS

### —IMMEDIATE

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### FACILITIES—

Teletype unit installed in your office at our expense to give you instant replies to your inquiries.

All lines of coverages—written in 20 year old company.

### \* Primary coverages in Pennsylvania

\* Surplus lines written through licensed agents in other states which permit non-admitted carriers to write liability coverages.

Fire

Fidelity and Surety

Comprehensive General

Automobile

Reinsurance

Excess Limits



Owners, Landlords, and Tenants Liability

Manufacturers and Contractors

Garage Liability

Liquor Liability

Retrospective Contracts

(a) Physical Damage

(b) Auto Liability

## EMPIRE MUTUAL INSURANCE COMPANY

220 South 16th Street  
Philadelphia, Pennsylvania

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## Cascade Promotes Gelling, Williams

Norman A. Gelling, production manager for Cascade, will become assistant vice-president and manager in mid-January, succeeding Vice-president Richard E. Farrer, who has resigned. Coincident with Mr. Gelling's promotion is that of Ralph G. Williams, chief underwriter, who has been named assistant secretary.

Mr. Gelling has been with Cascade for the past three



Norman A. Gelling

## WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

## FIRE AND MARINE FIELDMEN

Organizational changes and expansion have created several excellent openings in the South and Southeast with one of the country's largest and most aggressive agency companies with complete multiple-line facilities.

Men with drive, initiative and demonstrated sales ability can expect top salaries and extremely attractive employee benefits. Good potential for advancement to important managerial assignments.

Send complete resume of your qualifications. All replies confidential. Write V-50, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Opening for experienced Casualty Adjuster with well established progressive Independent Firm in St. Louis, Missouri area. Excellent opportunity for diligent, conscientious man with high moral standards. Potential future supervisory position for person with ability. Additional benefits. Give age, education, experience and salary requirements. Write V-51, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Casualty Underwriter capable of underwriting large risks in a territory of several states. Office location eastern Penna. Good opportunity for advancement with large Mutual Company doing nationwide business. Prefer ages 35 to 45 and college degree. Write resume of experience and expectations to V-49, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## MULTIPLE LINE CHARTER

Have multiple line charter for sale. Domiciled in South Atlantic state. Company now dormant with no assets. \$50,000 in approved assets will activate company. Seller will arrange Insurance Department approval prior to sale. Best offer over \$27,000 accepted. Reply to V-55, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIRE AND CASUALTY ACCOUNTANT currently with Eastern company wishes to relocate in South or West. Fifteen years experience in procedures, systems and annual statement. Write V-56, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## FIRE UNDERWRITERS

Large, progressive stock insurance company has opened new Regional Office in downtown Cleveland and needs several experienced fire underwriters. Excellent opportunities. Prefer some college. Submit resume. Reply to V-57, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

years, having joined the company at Seattle as special representative. In 1959 he was appointed production manager at the home office.

Mr. Williams joined Cascade's home office underwriting staff in 1958 and was named chief underwriter the following year.

## National Fire Names Two In Field Changes

Smith E. Holland Jr. has joined National Fire as state agent in Kentucky. R. L. Arnold, special agent in Nebraska, has been transferred to North Dakota with headquarters at Fargo.

Mr. Holland succeeds Charles Hastings, who is going in the agency business. He is a son of Smith Holland, formerly in Kentucky for America Fore and now with the group at Nashville.

Mr. Arnold has been with National Fire since 1954, serving in the field in Minnesota and Illinois before going to Nebraska in 1957.

## New N. C. Information Unit Not Limited To Mutuals

In the Dec. 16 issue, the newly formed North Carolina Insurance Information Service was described as a unit formed by 14 mutual fire and casualty companies. This implied that the organization is limited to mutuals. Actually, stock companies were among the 14 organizers, and membership is open to all companies operating in North Carolina.

## Slate Sales Congress For Indiana Health Week

"Voluntary Health Insurance Week" will be observed by Indiana Health Underwriters Assn. Feb. 13-17. Kick-off event will be a sales congress in Indianapolis Feb. 13, featuring International President Kenneth Stoakes, Loyal Protective, Los Angeles.

Others on the sales congress program will be Jack Rawles, vice-president Lincoln National, Earl Denman, Pacific Mutual, Cincinnati; and William Gove, noted sales speaker. Consideration is also being given to an "information please" panel of representatives from the medical society and hospital association, according to W. Harold Petersen, Underwriters National, state president.

## N. Y. Group Elects

William R. Ehrmantraut, resident vice-president American Surety, was elected chairman of the insurance section of New York Board of Trade at its annual meeting. Rankin Martin, resident vice-president Standard Accident; Alan O. Robinson, president Yorkshire; and Francis H. Low, assistant to president of Home Life, were elected vice-chairmen.

## Landt Heads Buffalo Club

Insurance Club of Buffalo at its annual meeting there elected Hannibal Landt president, succeeding Victor T. Ehre, Buffalo. Edward N. Walsh of the J. N. Walsh agency is vice-president; David H. Eslick of the Armstrong, Roth, Cady agency, treasurer, and George C. Roesser, U.S.F.&G., secretary.

Pennsylvania Federation of Mutual Insurance Companies has voted to oppose the rating bill introduced in the District of Columbia by Sen. O'Mahoney. The bureau particularly objects to the bill's provision for filing and use of rates without prior approval.

## American Makes Claim Men Changes

American group has made two claim changes.

Frank H. Gaff has been promoted to claim manager at Cleveland, replacing Clarence M. Lee, who is on a leave of absence.

Mr. Gaff joined the company nine years ago as a claim supervisor in Chicago. In 1958 he was promoted to assistant claim manager, and later that same year was named a claim examiner at the head office, a position he held until his present promotion. He has had previous claim experience with Maryland Casualty and with Preferred Accident.

Donald T. Kosak has been named claim supervisor at Washington, D. C. He replaces Richard Hotaling, resigned.

Mr. Kosak started with Hartford Accident in 1952. In 1957 he joined American at Newark. The following year he was transferred to the head office and promoted to claim examiner.

## Public Service Mutual Opens New Jersey Office

Public Service Mutual of New York has opened a branch at 61 Lincoln Street, East Orange, N. J. Irving Groves has been named manager. With the company 15 years, Mr. Groves has had experience in the engineering and inspection department. In 1957 he was named special agent in New York.



Irving Groves

## Great American Names Todd Special Agent In Md.

Great American has appointed Robert W. Todd special agent in Baltimore. He will be associated with State Agent Henry H. Hurt with headquarters at 410 American Building. For several years Mr. Todd has been with Maryland Fire Underwriters Rating Bureau.

## Forster Is New President Of Twin Cities Claim Men

Twin Cities Claim Managers Council has elected S. K. Forster, Employers group, president, succeeding C. L. Hollister, Iowa National Mutual. Other new officers are Edward J. Bonn, Glens Falls, vice-president, and E. P. Lynn, Security Mutual Casualty, secretary.

## GAB Elevates R. C. Lyster

General Adjustment Bureau has promoted Russell C. Lyster of the Tacoma office to manager at Aberdeen, Wash. He succeeds H. F. Honsinger, who becomes manager at a new branch in Anchorage. Mr. Lyster joined GAB at Tacoma in 1951.

## N. Y. Board Names Richardson

New York Board has named Stuart H. Richardson, resident vice-president of St. Paul F.&M., assistant treasurer. He succeeds W. L. Bellmer, National of Hartford, retired.

H. Alan Coleman has been appointed assistant manager of the Mill Mutuals in the southwestern department at Kansas City.

## Fund Opens New Hail Office At Amarillo

A crop-hail office has been opened in Amarillo, Tex., by Fireman's Fund to service Texas, New Mexico and Oklahoma.

This territory, along with Arizona, continues under the general supervision of Arthur Criswell and involves the following personnel: Steve Stroud, office manager and special agent for central Texas; W. C. Harvey, special agent for eastern New Mexico and southwest Texas; K. L. Hutchinson, special agent for western New Mexico and Arizona; Jack Purcell, special agent for Oklahoma; and Mrs. Geraldine Bianchi, branch underwriter clerk.

## Recommendations On OASI Disability Now Available

BALTIMORE—A booklet covering the report and recommendations of the medical advisory committee on the administration of the OASI disability provisions has been published by the Department of Health, Education & Welfare. It may be had from the superintendent of documents, Government Printing Office, Washington 25, D. C., for 15 cents a copy.

Most of the booklet is on the committee's recommendations and related bureau practices. Headings are proof of disability and sources of medical evidence; the medical report; responsibility of state agency review teams; disability evaluation guides; the effect of disability policies on incentives to work; interpreting the disability program to professional and other groups.

## Home Nine Month Net Underwriting Loss Wrong

In the insurer operating results at end of the first nine months as reported in the Dec. 30 issue, the net underwriting loss for Home was shown as \$5,200,000. This was incorrect, the figure actually being a loss of only \$200,000.

## Deaths

(Other deaths on pages 18, 19.)

E. L. MULVEHILL, 60, president of American Reinsurance since 1949, died at New York. He suffered a severe heart attack several weeks ago but was apparently recovering satisfactorily when he died.

Mr. Mulvehill was vice-president of Reinsurance Corp. of America when it merged with American Reserve in 1930. He was elected president of American Reserve in 1940 and chairman in 1952. American Reserve was absorbed by its parent American Reinsurance in 1955.

Before entering insurance, Mr. Mulvehill had been with Hempill, Noyes & Co. and Stranahan, Harris & Co., investment firms.



E. L. Mulvehill

## NOSKER EMPLOYMENT AGENCY

Insurance Specialists 34 Years

California Positions

Male—Female

All Lines

3055 Wilshire Blvd.

Los Angeles 5



## Gengras Reports On New Amster. Move

E. Clayton Gengras, president of Security of New Haven, has stated that his group now has 230,000 shares of the 500,000 New Amsterdam Casualty shares outstanding. At a meeting last week with Baltimore financial interests, he said that he and his associates expect to have about 55%—or 275,000 shares—within the next 10 days.

However, as soon as 51% of the shares are obtained, Mr. Gengras plans to ask for a meeting of New Amsterdam Casualty stockholders to bring in a new management. Mr. Gengras would not specify a date for the special meeting to propose the new officers, but he indicated it would be before the next annual meeting scheduled for April.

Mr. Gengras said that he would be the top official in the new management and that Arthur S. Kuenkler, executive vice-president of Security of New Haven, would be closely associated with him.

## Greene In A&S At Syracuse For Hartford Fire Group

Michael E. Greene has been appointed sales representative at Syracuse of Hartford Life and Hartford Accident. He will develop sales by agents of all forms of A&S for the two companies.

## Industrial Indemnity Names King, Hooker In Texas

LeRoy O. King Jr. has been appointed underwriting manager and Robert W. Hooker has been appointed claims manager of Industrial Indemnity in Texas.

Mr. King has been underwriting

manager for Industrial Indemnity in Fresno for six years. He joined the company in 1947 in the home office.

Mr. Hooker joined Industrial Indemnity in 1947 and most recently has been claims manager in the San Francisco division. Previously he had been claims manager at San Diego and Oakland and administrative manager of the San Francisco division.

## Harvey Takes Reinsurance Post With Fairfield & Ellis

Fairfield & Ellis agency of Boston has appointed F. Winthrop Harvey manager of its reinsurance department. He has worked primarily on large accounts, both in the field and in management and administrative capacities, and has handled every phase of reinsurance. He has been with Boston Manufacturers Mutual, since 1954 as secretary, retiring from this position Dec. 1.

## Reliance Names Gordon In Wis., Spargo At Pittsburgh

Reliance has named two special agents: Daniel C. Gordon at Madison, Wis., and M. S. Spargo at Pittsburgh.

Mr. Gordon, who has had many years in loss adjusting with Reliance, succeeds Charles J. Mullens, who has entered the agency business.

## Hartford Fire Names Two Texas Special Agents

Hartford Fire group has appointed Milo Gates and George C. Haralson special agents at Lubbock, Tex. Mr. Gates joined Hartford Accident at Dallas earlier this year. Mr. Haralson has been with the group nearly three years and previously was an agent.

## Minnesota Mutual Agents Slate Education Conference

The annual educational conference of Minnesota Assn. of Mutual Insurance Agents will be held May 1-2 at Minneapolis. Subjects to be covered will include the farm homeowners policy, bonds, and commercial lines.

## Blue Cross Rates Up In Newark, O. Area

Blue Cross rates in Licking County (Newark, O. area), have gone up an average of 10.3%. Effective Jan. 1, and applying to nearly 4,000 policyholders, the increase will total some \$21,700 a year.

## Van Hart To Philadelphia

Massachusetts Bonding has appointed George T. Van Hart special agent at Philadelphia. He is a graduate of the company's training school.

## In La. For Aetna Fire

Aetna Fire has appointed Marlin V. McLoughlin Jr. special agent at Mobile, Ala. He was Louisiana special agent of Great American before he joined Aetna Fire last July.

## Argonaut Promotes Grizzell

Argonaut has promoted William M. Grizzell to executive special agent in the Los Angeles area. He joined the company in 1954 as a special agent there.

F. N. McLaughlin has been elected president of Marshall County (Ind.) Assn. of Insurance Agents. Wayne Frushour was reelected secretary-treasurer.

## Apartment Packages In Conn. By Travelers, Phoenix Of Hartford

Travelers has filed in Connecticut an apartment owners policy. It covers buildings; appurtenant structures; contents of the building owner; BI, including libel and slander; PDL, and rental income. All coverages are required except rental income.

Under section one of the policy, the fire, EC, vandalism and burglary covers may be extended to include broad perils supplement. For an extra premium, the special building endorsement is available with a \$50 deductible on all losses except those in excess of \$500. Full coverage, except wind and hail, is available for additional premium.

Section two provides BI and PDL on an occurrence basis, and liability cover for operations, alterations, new construction, products and elevator.

Minimum limits are \$25,000 for section one and \$50,000 for section two. The rating plan with deductibles produces a charge of 20% to 25% under specific insurance. Without deductibles, the saving is 10% to 15%. Specific rates are based on territories, and classes are modified by a formula similar to homeowners.

## Ineligible Buildings Given

Ineligible for coverage are frame building other than brick veneer; seasonal property; brick or veneer buildings of more than three stories, or with mercantile occupancy, or built before 1940, unless completely modernized in the past 15 years. Also excluded are boarding and rooming houses.

Phoenix of Hartford has also filed in Connecticut a multiple peril form for apartment houses. It includes fire, lightning, EC, liability and burglary on which total rates are applied per \$100 of value, less a 20% discount. The principal coverages are mandatory and others are optional. BI and PDL have a single limit with rates discounted 20% and a minimum amount of \$10,000.

Optional coverages by endorsement are CPL, broad form personal theft, money and securities broad form, mercantile robbery and safe burglary, office robbery and burglary. Other features are substitution of occurrence for accident, credit for existing coverage, exclusion of malpractice endorsement, multiple dwelling owner or leased by and occupied in part by named insured or spouse, and exclusion of products hazard.

## McSweeney Joins U.S.F.&G. As Boston Special Agent

Richard P. McSweeney has been appointed special agent of U.S.F.&G. in metropolitan Boston and Rhode Island for fire, inland marine and casualty line. He has had experience as fire and marine underwriter, fire rating engineer and in agency work.

## Leonetti Joins Kemper

Michael L. Leonetti has joined the Kemper group to fill the newly created position of production manager of the intermediate division of the A&S department, supervising production of individual A&S.

## Civil Service Employees Promotes

Donald F. O'Keefe has been promoted to superintendent of claims by Civil Service Employees.

## Gressett In Charge Of La. For Aetna Fire, Succeeding Bolles

Maurice A. Gressett has been named manager of the Louisiana operations of Aetna Fire. He succeeds A. J. Bolles, who is retiring after more than 37 years in the business.

Mr. Gressett joined Aetna Fire in 1939 as a marine special agent. In 1949 he was appointed superintendent of the southern marine department, and in 1960 was named assistant manager in Louisiana.

Mr. Bolles joined Aetna Fire in 1923 as special agent in east Texas. He was appointed state agent in Louisiana in 1931 and manager in 1956. He was instrumental in revising the Louisiana general forms and has written numerous articles on insurance. He served for many years on the Louisiana Rating & Fire Prevention Board and is a past president.

Lindsay C. Lamb agency of Michigan City, Ind., has absorbed the Daniel Goldman agency, with Mr. Goldman joining the former.



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## Donna Adjusters Lauded By Witness

(CONTINUED FROM PAGE 2)

degree of accuracy from a physical inspection the proper ratio between windstorm and wave wash damage.

GAB employed engineers to survey selected losses in order to establish an intelligent pattern. The surveys were helpful, but it soon became apparent that each loss had its own characteristics, depending on location, type of construction and other factors. On all such losses, adjusters had problems that required their utmost skills in

technical procedure and in human relations.

Following Donna, certain newspapers kept the public aroused by a drumfire of articles critical of insurance companies and adjusters. This aggravated a situation in which insured were difficult to handle, especially in the first few weeks after the storm, GAB reports. Many were in a state of semi-shock, bewildered and depressed at the loss of homes and a lifetime's investment, and in no mood to con-

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sider reasonably such questions as wave wash and policy restrictions. Nevertheless, as time went on and the integrity of adjusters became known, insured became more receptive and the atmosphere improved.

Apart from typical losses, those of greater magnitude received early and exhaustive attention by GAB. On one Florida hotel loss that is expected to run well over a half million when settled, an engineer's report to GAB consists of 180 pages of single spaced typewritten analysis and conclusions. About 250 photographs were made in

connection with this adjustment, as well as numerous diagrams and drawings.

The scope of the job done by adjusters is perhaps best expressed by Mr. Henderson's observations from his winter headquarters. He points out that Naples did not lose the season's income nor did many miss a winter of fine Florida living, thanks to prompt adjusting attention. Anyone from the insurance business who visits the city in the future will deservedly receive the "royal, red-carpet treatment," Mr. Henderson declared.

	Assignments	Inspections	% Inspected	Closed	% Closed
Southeastern					
Florida	36,791	36,371	98.8	32,717	88.8
South Carolina	1,980	1,899	95.9	1,632	83.0
North Carolina	21,989	21,685	98.6	20,402	92.8
Virginia	12,494	12,467	99.8	11,020	88.3
Mississippi (Gulfport-Ethel)	1,898	1,898	100	1,898	100
Total	75,152	74,320	98.9	67,689	90
Eastern					
Connecticut	3,426	3,375	98.5	2,802	81.1
Delaware	517	517	100	415	80.3
District of Columbia	82	82	100	76	92.6
Maine	1,547	1,544	99.8	1,354	87.6
Maryland	4,400	4,356	99	3,715	84.4
Massachusetts	24,753	24,125	97.5	20,284	82
New Hampshire	618	618	100	550	89
New Jersey	28,659	28,287	98.7	24,746	86.3
New York	23,709	23,109	97.4	18,031	76.1
Pennsylvania	5,123	5,097	99.4	4,188	81.7
Rhode Island	4,607	4,537	98.4	4,043	87.5
Vermont	100	100	100	82	82
Virginia-Falls Church	12	12	100	10	83.3
Total	97,553	95,759	98.1	80,296	82.3
Grand Total	172,705	170,079	98.4	147,985	85.7

"NO CLAIMS"

	Losses Closed	"No Claims"	% "No Claims"
Southeastern	67,689	12,095	17.87
Eastern	80,296	10,184	12.68
Total	147,985	22,279	15.05

## Industrial Indemnity Taps Ennis For Texas Expansion

Industrial Indemnity will extend its multiple line operations into Texas and adjoining states early in 1961, and Charles L. Ennis has been appointed vice-president at Dallas in charge of the expansion.

Mr. Ennis, who has been with the company since 1945, has been manager at Sacramento and before that was production manager and administrative manager at Los Angeles.

John J. Haller will succeed Mr. Ennis at Sacramento. In the business since 1949, Mr. Haller joined Industrial Indemnity in 1953 and since 1956 has been underwriting manager at Sacramento.

C. R. Black Jr. Corp., New York and San Francisco brokers and average adjusters, has elected Crawford A. Black president to succeed C. R. Black Jr., who has been named chairman and will remain with the firm as chief executive officer.

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## Research Can Aid In Accident Reduction

Positive measures can be taken to prevent automobile accidents, Harold C. Krogh, professor of business administration at the University of Kansas, told the annual meeting in St. Louis of American Assn. of University Teachers of Insurance. Mr. Krogh is a CPCU and is conducting a research study into psychological factors connected with accident proneness.

The insurance business must avail itself of the increasing knowledge from research in psychiatry and psychology, of mental and emotional factors identified with auto accidents, he said. More thorough insurance company planning could lead to the inculcation of individuals and businesses with the need to recognize symptoms of accident proneness, providing positive steps to arrest or prevent unnecessary injuries, and to alleviate the financial consequences of such injuries.

### Constructive Planning Needed

Additional attention must be given by insurance personnel to constructive planning which recognizes individual differences, he believes, and to placing the results of this coordinated planning effectively before insurance

clients. This will permit the counteracting of accident-proneness so as to conserve human life values and consummate a more scientific risk treatment of insurance.

Accident-proneness is significant for the insurance business as it relates to workmen's compensation as well as to general and personal liability coverages, he said. The current study focuses upon the psychological factors of auto and traffic accidents. Additionally, it gives attention to identifiable factors characteristic of both the uninsurable and the financially irresponsible motorist. In its initial stages, the study has been concerned with assimilation of information and knowledge derived from existing literature, recent research findings, and current case studies of auto accidents.

A later stage of the project requires examination of case situations. The impetus for this part of the study will be based upon availability of basic data from one or more state motor vehicle safety departments. The study was suggested by a Kansas CPCU chapter project, "Psychological Factors Affecting Industrial Accidents."

In the area of practical safety and prevention it has been customary to define the term "accident" as a suddenly occurring, unplanned, unintentional event which leads to personal injury or property damage. Mr. Krogh thinks a more useful definition for the purposes of the study is: "An accident, with or without injury," is "a morbid phenomenon resulting from the integration of a dynamic variable constellation of forces and occurs as a sudden, unplanned, and uncontrolled event."

### May Be "Purposeful"

Accident proneness has been labeled as inherent, and persons placed in such a category are thus stigmatized. Analysis by some psychiatrists has led to the view that accidents are subconsciously purposeful acts which may bring the victim a variety of psychological gains. Thus some accidents are not unplanned and unintentional. This complicates the definition of the term.

One difficulty in securing reliable data is that persons who are accident producers are utterly unwilling to identify themselves in any degree with accident causation, he said.

One promising avenue of preventive attack is concerned with human failings such as haste, preoccupation, and distraction, which may reflect emotional strain or conflict resulting from anxiety, anger, fear, frustration, hate, aggression and guilt. Thus increasing significance is attached to the personality factor. He noted also that the small group of individuals responsible for most accidents is a changing group. New persons move in and many move out.

Mr. Krogh suggested that though some individuals remain highly accident-prone throughout life and are therefore truly accident-prone individuals, it appears likely that they contribute only a relatively small percentage of all the accidents. Almost any normal individual under emotional stress may become temporarily accident-prone, and may experience a series of accidents in rather rapid suc-

cession. But most such persons develop defenses against emotional conflicts and thereby remove themselves from the accident-prone group within a relatively short period of time.

Currently, he observed, whether accident-proneness is a measurable quality is considerably disputed. Expectations from earlier studies have fallen short of realization in this respect.

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## Painter Awarded \$22,000 In Ladder Fall In Ill.

A U. S. district court jury at Peoria has awarded a painter damages of \$22,000 against B. F. Goodrich Co. for injuries incurred in a fall from a ladder in the company's plant near Henry, Ill. The plaintiff, Charles A. Miller, had asked for \$50,000, charging that the defendant was liable under the state's scaffold act. Miller, age 68, alleged he was permanently injured in an eight foot fall, incurring a broken right leg and other injuries, and had been unable to follow his trade since the accident, which occurred in 1958.

Miller testified the ladder slipped from under him because of a slippery floor. The company contended that the floor was in accordance with those for this type of plant and for sanitary reasons is washed down intermittently each day. Also, the plant manager told the jury that Miller, who was employed by Dragoo Painting & Decorating of Peoria, was working on a ladder owned by that company and not the defendant.

## Moodie Retires

Horace A. Moodie, manager of the New York branch of Loyalty group, is retiring. He has been 41 years in insurance, 20 of them with Loyalty.

Prior to joining Loyalty, Mr. Moodie was with North British, National Liberty, and National Union as New York City manager. His 20 years with the Loyalty group have been entirely in the New York metropolitan and suburban fields.

## Keyes Elected A Director

Washington General has elected George T. Keyes a director. He is a vice-president of the company and vice-president and a director of Appleton & Cox, founders and managers of Washington General.

Ralph Swan, who for three years has been state agent at Portland of Pacific National group, has joined the Walter J. Pearson general agency there as secretary. Before going with Pacific National, Mr. Swan was with Security of New Haven for 12 years.



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